UNIVERSITY OF ... LIBRARY

Travis & Arnold
Timber, Building Materials, Heating and Plumbing Equipment for the Construction and Allied Trades. Northampton 52424.

FINANCIAL TIMES
PUBLISHED IN LONDON AND FRANKFURT
No. 28,191 Friday June 13 1980 ***20p

LONGINES
Olympic Timing 1980 Lake Placid Moscow

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 28; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 45; SPAIN Pts 70; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; EIRE 20p; MALTA 20c

NEWS SUMMARY

GENERAL

Police shoot siege girl

Police have admitted shooting and seriously wounding a 16-year-old girl as they tried to rescue her from a man armed with a shotgun after a Birmingham flat siege.

The man was using Gail Kinchen as a shield as he exchanged fire with police in a bid to escape.

West Midlands police said a medical examination showed her injuries were not caused by a shotgun, as first thought, but apparently by shots fired by police as they arrested the man.

A 31-year-old unemployed man appeared before Birmingham magistrates accused of attempting to murder Mr. James Wood, of Stirchley, Birmingham.

Gas halts match

England's opening European championship match against Belgium in Turin was stopped for six minutes when goalkeeper Ray Clemence was overcome by police tear gas after English fans attacked Italians. The result was 1—1.

Iran hostage plan

A plan was worked out for negotiating the release of the American hostages when Austrian Chancellor Bruno Kreisky met Iran Foreign Minister Sadeq Qotbzadeh in Oslo, the Chancellor said.

'Julie' cash

The House of Lords ruled that court orders made against members of the "Operation Julie" drugs gang to forfeit the proceeds from their crimes were unlawful. But it refused to order the Director of Public Prosecutions to give seized assets back to the gang.

Cabinet resigns

The Japanese cabinet resigned following the sudden death of Prime Minister Masayoshi Ohira, but Ministers will stay at their posts until after the general election on June 22. Back Page; Feature, Page 20

Sir Billy dies

Sir Billy Butlin, millionaire founder of Britain's first holiday camp chain, died at his Jersey home, aged 80, after a long illness.

Soviets killed

Four Soviet soldiers were reported to have been killed in Kabul as fighting continued between rebels and the Soviet army in the Paghman mountains north-west of the Afghanistan capital. Page 4

Yachtsman found

A British competitor in the Observer Single-handed Trans-Atlantic Yacht Race was spotted in his life raft by an RAF Nimrod 1,100 miles from Land's End. RAF planes were still looking for two yachts which have been out of contact with race organisers for some time.

Coming home

The final draft of Gilbert White's classic "The Natural History of Selborne" has been bought from an American collection for £100,000 by the Gilbert White Museum in the Hampshire village. Page 8

French leave

France decided to withdraw 60 gendarmes sent to the New Hebrides on Wednesday only a day after Britain decided to send 200 marines. Page 4

Briefly . . .

Two men got away with £30,000 in a raid on a Bank of Ireland branch in Holloway, London.

Two ospreys have hatched at Loch Garten, Speyside.

BUSINESS

Sterling rises; Dollar weaker

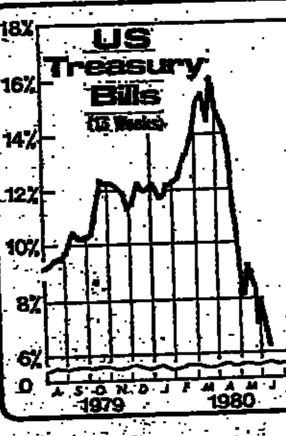
● STERLING closed at $2.3395, up 50 points, despite a generally softish undertone. Its trade-weighted index was unchanged at 73.7. DOLLAR was slightly weaker in dull trading, closing at DM 1.7625 (DM 1.7645); SwFr 1.6250 (SwFr 1.6285); and Y216.75 (Y217.5). Page 28

● GOLD closed $11 down in London at $591, and in New York, the Comex June close was $601. Page 28

● EQUITIES continued firm, with the FT 30-share index 1.6 up at 448.5. The Government Securities index put on 0.25 to close at 62.28. Page 36

● WALL STREET was 4.1 down at 868.6 shortly before the close. Page 29

● THREE-MONTH U.S. Treasury Bills were about 6.3



per cent, and the bond market held its own in spite of an influx of new issues totalling $840m.

● MR. JOHN NOTT, Trade Secretary, said pay settlements of about 10 per cent were needed to reduce inflation, but ruled out a wage policy.

● THE COMMONS will next Wednesday debate plans to sell the National Enterprise Board's 50 per cent stake in the Ferranti electronics group.

● LONDON Transport expects to lose £134m in the year to December, 1981. Page 8

● BRITISH Steel Corporation has won a $27m (£11.5m) contract to supply steel for the third and fourth sections of the Seoul underground rail network in South Korea. Page 5

● FOKKER, the Dutch aerospace group, has sold two F28 jet airliners to Bangladesh Biman, the Bangladesh national airline, and an F27 turboprop aircraft to Mississippi Valley Airlines, a U.S. commuter carrier. Page 5

● LEADING world banks are resisting suggestions that they should lend more to Turkey, which is next week to discuss rescheduling debts of $3bn (£1.27bn). Page 3

LABOUR

● GOVERNMENT was warned by the National Union of Mineworkers that economic policies that led to pit closures might result in a fierce battle with the miners. Page 10

● NATIONAL Union of Railwaymen members were urged by Mr. Sid Weighell, their leader, to accept TUC plans for reducing inter-union friction on the railways. Page 10

COMPANIES

● CHLORIDE GROUP pre-tax profits fell from £29m to £18.7m in the year to March 31 and the year's dividend was cut from 6.1p to 4p a share with a 2.3p final, largely because of a drop in demand for vehicle batteries. Page 22 and Lex

● NORTHERN FOODS raised pre-tax profits from £12.04m to £14.8m on sales up by £84.4m to £257.4m in the six months to March 31. Page 23 and Lex, Back Page

Schmidt opens bid for more equality in EEC payments

BY JOHN WYLES IN VENICE

CHANCELLOR Helmut Schmidt of West Germany yesterday launched his attempt to edge the EEC towards restructuring its budget so that no single member state will continue paying vastly more to Brussels than the others.

Herr Schmidt's move came at the EEC heads of government summit in Venice. Recognising that such a fundamental reform touches sensitive political issues including the Common Agricultural Policy and, possibly, enlargement of the Community, his approach was low key and developed initially in a lunch conversation with President Giscard d'Estaing of France and then at a session with Mrs. Margaret Thatcher.

After their last two bruising encounters in Luxembourg and Dublin over the UK's demands for cuts in its payments to the Community, the EEC leaders were determined to take advantage of last month's settlement of this row to put their relations back on a more tranquil footing.

But in an effort to ease sharp disagreements at official level, the heads of government spent 90 minutes discussing the declaration on the Middle East which the summit is supposed to issue today. In the political directors' working group, France was said to be resisting attempts to weaken the EEC position which seemed to be emerging last week, which pointed to a statement urging the involvement of the Palestinian Liberation Organisation in negotiations on a comprehensive Middle East peace settlement.

But yesterday, West Germany wanted to limit the reference to a simple requirement that the PLO accept the terms of UN resolutions 242 and 338, which refer to Israel's right to exist with secure borders.

These differences point to varying susceptibility to strong American pressure against any EEC statement which might undermine U.S. efforts to restart the Camp David talks on Palestinian autonomy.

The UK, which last week favoured a declaration calling for the inclusion of the PLO in any negotiations, was among those which appeared to be softening their positions last night.

On the thorny EEC budget question, it was not clear, whether the government leaders would confine themselves to private discussions or would make a public statement.

Chancellor Schmidt wants agreement on an end of 1981 deadline for settling the question, possibly on the basis of limiting each member state's payments to and receipts from the EEC and through effective curbs on farm spending growth.

West Germany believes that the prospect of the EEC exhausting its budgetary resources within the next two years, plus enlargement through Spanish and Portuguese membership, are pressures which must now force reform.

However, the subject will be treated very gingerly until after the presidential elections in France next spring because it is recognised that President Giscard will not agree to farm policy reforms which would arouse further opposition from restive farmers.

But the French President has already spoken out in favour of limiting the cost of the EEC budget and its benefits. He is not happy that France will be paying around £220m to the EEC this year as a result of the UK deal, when it would otherwise have been a small net beneficiary.

The heads of government were expected to spend some time over dinner discussing nominees for the post of president of the European Commission to replace Mr. Roy Jenkins, who retires at the end of this year.

EEC FEARS TRADE WAR

COMMON MARKET government leaders are aiming to present a coherent and unified position on trade at the seven-power western summit meeting in Venice later this month.

The EEC leaders, meeting this week in the European Council, are concerned that protectionist trade measures within the Community could trigger a damaging trade war involving Japan and the U.S. Back Page.

Consett steel closure date set

BY ALAN PIKE

THE BRITISH Steel Corporation yesterday took the last major risk of confrontation over its big redundancy programme and told union leaders at the Consett Plant in Co. Durham is to close by the end of September with the loss of nearly 4,000 jobs.

If the Consett workers go quietly, the corporation will be set to achieve the 52,000 reduction in its workforce announced in December without another dispute on top of last winter's three-month pay strike.

The Consett workers, however, reacted to yesterday's announcement by declaring that they would step up their fight to save the works, and national union leaders have said they will back the campaign.

Closure would turn what is already an area of high unemployment into one where more than 30 per cent of the male workforce would be without jobs.

Announcement of the closure date was made to union representatives by Mr. Derek Saul, managing director of BSC's Teesside Division, at a meeting in the local civic hall which was picketed by workers campaigning to save Consett.

Local union leaders argue that there is no justification for closing the works, which produces some of BSC's highest quality material. But the corporation said the decision had been made against a background of falling demand for billets and billet-derived products, largely because of the decline in the motor and engineering industries.

The corporation had an excess of billet production, and considered the most economical solution to be the closure of Consett.

Consett's orders will be transferred to plants in the Yorkshire and Huberside Division, and the corporation is satisfied that this will not result in a loss of business.

Closure of Consett will produce 3,700 redundancies, 800 of them among white-collar staff. While this is considerably fewer than the job reductions negotiated by BSC in South Wales recently, Consett is in some ways a more delicate problem —partly because of the disruptive impact on the local community and partly because it is a total closure.

British Steel said it was aware that it was the biggest employer in the Consett area and that the social effects of the closure would be serious. BSC Industry, the corporation's organisation which attempts to attract new jobs to declining steel areas, it at work in Consett.

Soviet car strike over food supplies

BY DAVID SATTER IN MOSCOW

WORKERS at the Soviet Union's vast Togliatti Motor Works held a two-day strike last month to protest against inadequate supplies of meat and milk products. It was the largest known industrial walk-out in modern Soviet history.

Reliable reports say that the walk-out closed the plant, which produces 700,000 light cars a year, and made more than 170,000 people idle.

A journalist on the local newspaper at Togliatti, a town on the Volga 650 miles east of Moscow, said he had never heard of the reported strike. An assistant to the Mayor of the town, spoken to by telephone from Moscow, angrily denounced the report as "provocative" and "anti-Soviet."

The stoppage began because of shortages of meat and milk products in Togliatti, which stemmed from even greater shortages in the entire Volga region.

Last year's grain harvest failure and the effects of the U.S. grain embargo, which were particularly serious in the first few months of this year, led to slaughtering of livestock in the region and sharply reduced supplies of dairy products, especially butter and milk.

Togliatti is normally one of the best provisioned cities in Russia. The plant produces cars costing from 6,500 (£4,365) to 9,000 roubles, while costing less than a third of that to produce. Workers there have always received preferential treatment.

The workers at Togliatti resemble Western European workers in some respects. They have a strong labour collective in the car works and unofficial leaders who, though separate from formal authority, are recognised by both factory management and men.

The Togliatti workers are said to be aware of the importance of the auto works, which was built i nco-operation with Fiat, as a Soviet showpiece.

Though they have not pressed political demands, they guard jealously against any decline in their standard of living.

The walk-out began because, although the workers at the plant continued to receive average pay of about 300 roubles, almost twice the national average, there began to be less and less to buy in the town.

The strike is said to have halted all work at the factory, where 55 per cent of Soviet cars are produced.

The men returned to work only after the authorities acted so that Togliatti received large deliveries of meat and milk products from the dwindling State reserves.

Cost in lost production was believed to have been 4,000 cars.

The leaders of the walk-out, said to have been supported actively by thousands of men, were apparently not punished by the authorities, and no action was expected to be taken against them.

Though Soviet doctrine provides a basis for severe action against strikers, since it is held to be impossible for the working class to strike against itself, the authorities have tended in practice to end strikes by trying to meet strikers' demands when they have been almost exclusively economic.

As a result, most strikes in the Soviet Union have last no more than a few days.

Background. Page 2

Ilford plans to close three Essex factories

BY IAN RODGER

ILFORD, the financially-troubled photographic film and paper manufacturer, plans to close three factories in Essex and transfer black-and-white film production to its remaining factory in Cheshire.

The company, owned by the Ciba-Geigy, the Swiss chemical group, said yesterday it was also withdrawing from the manufacture of X-ray and micro-film products.

But it would invest £30m in the next three-and-a-half years to increase the capacity and quality of its black-and-white film and paper production in the UK.

The restructuring proposal, part of a plan involving Ciba-Geigy photographic production in France and Switzerland, would result in about 2,500 lost jobs at Essex, but create 850 jobs at Mobberley, Cheshire, where 550 are employed.

The group will continue to manufacture black-and-white paper at Lyons, France, and colour films, transparencies and chemicals at Fribourg, Switzerland. The Fribourg plant will stop production of graphic arts materials, with the loss of about 300 jobs.

Ilford has made losses in Britain in four of the last six years. It said it had inadequate market shares in the businesses from which it was withdrawing and so had been unable to benefit from production economies of scale.

But its "highly successful" black-and-white films and papers business justifies substantial investment

The company will be consulting its employees in the next three months and expects redundancies would be phased over two to three years.

Mr. Tony Whitely, divisional officer of the Association of Scientific, Technical and Managerial Staffs, the union responsible for Ilford's monthly salary staff, said the closure plans were "a disaster for employment prospects in the south-east."

The transfer of film production to Mobberley would force the company to cease production for six to 18 months. It was merely a prelude to the company's complete withdrawal from manufacturing in Britain, he said.

The company said production of film would continue at Brentwood, Essex, until new facilities in Cheshire were ready. The company's large investment belied any intention to cease manufacturing.

ASTMS was also worried that the end of X-ray manufacturing would leave the National Health Service dependent on foreign suppliers.

The other major supplier of X-ray film, Kodak, shifted manufacturing out of Britain in 1978.

Among Ilford's main suppliers are ICI, which provides acetate and polyester base for film, and silver bullion dealers Johnson Matthey.

More banks cut prime

BY IAN HARGREAVES IN NEW YORK

MAJOR U.S. banks yesterday lowered their prime lending rates by half a percentage point to 12½ per cent, but no-one joined First National Bank of Boston, which on Wednesday cut its rate to 12 per cent.

Both Bank of America and Citibank, the country's two largest banks, moved to 12½, meaning that once again the prime is split three ways at 12, 12½ and 13 per cent.

The reluctance of the big banks to match First Boston was slightly puzzling in that the prime is still considered by analysts to be out of line with other short-term interest rates in the U.S.

These other rates held fairly steady yesterday, with three month treasury bills at 6.3 per cent. The bond market also held its own in spite of another huge influx of new issues, totalling $840m.

Near-record issue total, Page 25

£ in New York

—	June 11	Previous
Spot	$2.3475-3495	$2.3265-3275
1 month.	1.90-1.83 dis.	1.85-1.75 dis.
3 months	4.60-4.50 dis.	4.18-4.08 dis.
12 months	10.05-9.85 dis.	9.60-9.30 dis.

Europcar bid to be probed

BY ARTHUR SANDLES

THE £22m bid by Europcar for the car rental activities of Godfrey Davis is being referred to the Monopolies Commission. Europcar belongs to Renault, the State-owned French car company.

The commission has six months to report on a deal which would give the French company control of Britain's largest car rental company and one which traditionally buys Ford cars.

Although Whitehall is anxious to play down suggestions that the reference is a reprisal against French attitudes towards recent British takeover moves in France there is little doubt that many will see it in this light.

The Department of Trade said last night the reference did not mean it was opposed to the takeover, but it wished to have the implications examined.

Godfrey Davis' car rental fleet last year reached a peak of 8,500 cars in Britain, fewer than rivals Hertz and Avis achieved, but because of the all-year nature of its business it is probably bigger than these American giants in the UK market. Europcar, with only 463 vehicles at most, is relatively small in the British market.

The DoT is said to be concerned about the prospect of the first major piece of vertical integration in the British market in which a car renter would be owned by a large car maker. Europcar, however, like most other rental companies in the UK, is a heavy buyer of Fords, at present, Renaults are in the minority in its fleet.

The Hertz car rental operator considered a counter-bid for

Continued on Back Page
Background. Page 2

ARBUTHNOT GOVERNMENT SECURITIES TRUST LIMITED

Investment Portfolio of Gilts

Daily valuation and dealing

Following the recent heavy demand for the Arbuthnot Government Securities Trust, the Directors are now dealing in the shares of the Company on a daily basis until Monday 18th May, 1981.

14·80%

Estimated Gross Dividend Yield (at the last offer price of 86·2p xd*)

*Valuation as at 11th June 1980

Dividend

The Directors are pleased to forecast an annual dividend of 12.75p per share for the year ending 31st July, 1980, to be paid quarterly.

The Income Shareholders receive gross dividends in cash (except to Jersey residents) and the capital shareholders a scrip issue of equal value.

Capital shares may not be held by residents of the United Kingdom or Jersey.

The Income and Capital Shares are listed on The Stock Exchange, London.

The fund is now valued at over £11 million.

Allen Harvey & Ross Investment Management Limited who have an excellent record in the management of Gilt-edged funds act as investment advisers.

To: Sir David Scott-Barrett, K.B.E., M.C., Arbuthnot Securities Limited, 37 Queen Street, London EC4R 1BY.
Tel: 01-236 5281 Ext. 301.

Please send me a copy of the company's prospectus (on the terms of which alone application for shares will be considered) together with the latest accounts.

Name ____________ Address ____________

A/13/6/FT

ARBUTHNOT

Issued by Arbuthnot Securities Limited (Licensed Dealers in Securities).

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 13¼pc 1992 (£20 pd.)	£20¼	+ ¼
Treas. 13¼pc '97	£100½	+ ½
Applied Computer T	335	+ 10
Asscd. News	305	+ 15
Bank of Scotland	265	+ 12
Barratt Devs.	111	+ 4
Bulmer (H. P.)	181	+ 9
Carr's Milling	81	+ 11
Cont. Stationery	56	+ 4
Coral Leisure	67½	+ 3½
Dawson Intnl.	101	+ 6
De La Rue	690	+ 20
Farnell Elec.	288	+ 10
GEI Intnl.	72	+ 4
GKN	239	+ 4
Hambros	418	+ 12
Hill Samuel	94	+ 4
Land Securities	319	+ 7
Lee Cooper	205	+ 22
Metal Box	296	+ 12
Pilkington	213	+ 5
Polly Peck	65	+ 6
Redland	166	+ 6
Saatchi and Saatchi	183	+ 11
SGB	150	+ 6
Sharna Ware	166	+ 10
Stndrd. Tele. Cables	320	+ 7
UKO	123	+ 9
Valor	57	+ 4
Aran Energy	428	+ 16
Berkeley Expl.	228	+ 26
Silkolene	182	+ 9
General Mining	935	+ 75
Samantha Explor.	136	+ 10
Samson Exploration	95	+ 8
Tronoh	320	+ 20

FALLS

BP	368	− 4
Geevor Tin	180	− 20
Poseidon	172	− 6
Western Mining	239	− 11

CONTENTS

For latest Share Index 'phone 01-246 8026

Rise forecast for investment in W. Germany

BY JONATHAN CARR IN BONN

WEST GERMAN industry is likely to boost investment in fixed assets by 10 per cent in real terms this year, though industrialists are increasingly gloomy about business prospects.

This apparent contradiction emerges from the latest survey of investment planning in manufacturing industry, carried out in March and April by the IFO economic research institute of Munich and released today.

The survey, which is made twice a year of about 4,000 companies, indicates that investment will increase in 1980 by about 15 per cent in nominal terms, or about 10 per cent after allowing for price increases. In 1979 investment rose almost 11 per cent in real terms.

No less than 37 per cent of companies give extension of capacity as the main reason for investment this year, while 35 per cent give rationalisation as the chief motive. This is a reversal of the emphasis on rationalisation of the last few years.

These results are curious since German business opinion surveys since last autumn have indicated growing scepticism about prospects in coming months.

But it seems that even while this scepticism was being expressed, unexpectedly buoyant sales and, until very recently, a strong order intake, have increased use of capacity and required higher investment. shows that the rising price of

The breakdown by sector also oil and other energy is markedly forcing up demand for energy-saving products and is one of the key reasons behind current investment.

Manufacturers of capital goods are planning to increase investment this year by a nominal 19 per cent, the biggest rise in any industrial sector. Included in this category are vehicle manufacturers, who are boosting investment by 30 per cent, primarily in a move towards production of smaller, fuel-saving models.

Investment in the semi-manufactured goods sector is likely to rise by a nominal 15 per cent, in the food industry by 12 per cent and in consumer goods by only 7 per cent. Companies producing wood and leather goods will only increase their investment very slightly against 1979, while the textile industry's investment, in real terms, will probably decline.

Schmidt expects to stay as leader of government

BY OUR BONN CORRESPONDENT

THE WEST GERMAN Chancellor, *Herr Helmut Schmidt*, says he expects to remain as leader of the Government in Bonn throughout the next legislative period to 1984—"and perhaps even a bit longer."

Herr Schmidt made this confident prediction yesterday in an interview with the mass-circulation daily newspaper Bild, two days after the congress of his Social Democratic Party in Essen, which was preparing for the general election on October 5.

Although Herr Schmidt and other Social Democrat leaders have warned against over-confidence and have stressed they plan to fight for every possible vote, the Chancellor gave no sign in the interview that he had any doubt about the election result.

Asked why he had not devoted much attention in his Essen speech to Herr Franz Josef Strauss, his opposition challenger, Herr Schmidt replied that he had said what was needed. He did not have the time to go into every charge which Herr Strauss made against him.

The Chancellor also rejected the opposition charge that he was a prisoner of his party's left-wing, saying he was nobody's prisoner and that the left would not gain more influence through the election. He was Chancellor of a Social Democrat-Liberal coalition, and would remain so.

Half France blacked out by power workers

By David White in Paris

FRANCE suffered widespread electricity cuts, train stoppages and traffic jams throughout yesterday as a result of a strike by power workers' branches of the two leading trade unions.

Up to half the normal electricity supply was affected at times. Metal-working industries were particularly badly hit by the 24-hour strike and the cuts disrupted Paris underground rail services and put street lamps and traffic lights out of use.

Hospitals and other priority services continued to receive supplies.

The strike was in protest against a government proposal designed to prevent wildcat stoppages from endangering the safety of nuclear plants. It threatens workers with instant dismissal for "deliberate violation" of rules.

The two unions, the Communist-led CGT and the Socialist-leaning CFDT, campaigning to keep the right to strike intact, managed a rare show of solidarity. Other unions also organised protests without taking part in the strike itself. Demonstrators pleaded their case outside the senate in Paris.

M. Andre Giraud, the Industry Minister, who was responsible for the proposed nuclear plant regulations, had been due to explain his position on television on Wednesday night but was prevented from doing so. The power was cut.

● A powerful bomb destroyed part of a departure lounge at Orly Airport outside Paris yesterday, marking the latest in an intermittent series of attacks by Direct Action, a group believed to have links with Italy's Red Brigades.

Seven cleaners were injured by the blast, which took place shortly after midnight, when there were no passengers in the area.

An anonymous telephone call later claimed responsibility on behalf of Direct Action. The attack was the second spectacular demonstration that a major police round-up in March failed to break the back of the group as had been hoped.

A month ago Direct Action members used a bazooka in a series of dawn attacks on Transport Ministry buildings in Paris

STOPPAGE AT THE TOGLIATTI PLANT

Strike a risky last resort for Soviet workers

BY DAVID SATTER IN MOSCOW

ALTHOUGH STRIKES are rare in the Soviet Union, they do occur occasionally and, in a country where it can be extremely difficult to redress grievances, they constitute a risky last resort.

The reported work stoppage at Togliatti, where 170,000 people are believed to have been made idle, is untypical of Soviet strikes. The workers' collective at Togliatti is unusually cohesive and for the 10 years the plant has operated there been an unspoken understanding that high quality work would be rewarded with high pay and good conditions.

The basic pattern, however, reflected in the Togliatti stoppage—a mass action leading to the achievement of the desired results—is typical of peaceful worker action because workers' demands are usually non-political and are often viewed as fair by the authorities.

There are few known examples of industrial action because information about strikes in the Soviet Union is a closely guarded secret. But there are two examples of worker action achieving a desired result in the Moscow area.

In 1977, in the city of Tula, 100 miles south of Moscow, factory workers refused to accept their paychecks for a period of months because, they argued, there was nothing in the shops for them to buy. The confrontation ended when Tula was named a "hero city" and deliveries of produce to the city were consequently increased.

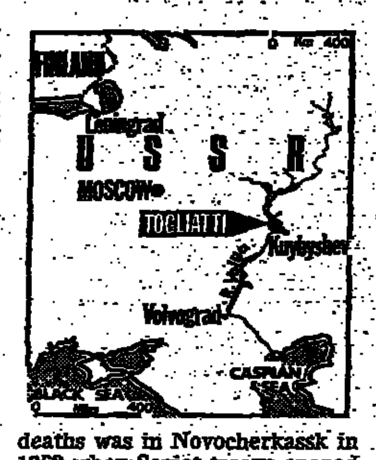
Another example of industrial action was a strike by women textile workers in the city of Ivanovo, north of Moscow. The women objected to plans to locate new textile factories in the town because they feared that, unless factories employing men were established, they would have little chance of getting married.

Mr. Alexei Kosygin, the Soviet Prime Minister, came to Ivanovo to assure the women that factories employing men would be set up and they returned to work.

Most strikes in the Soviet Union concern such concrete issues and there are no known recent examples of strikes on behalf of political rights or greater freedoms.

There have been cases, however, where the reaction of the authorities has been brutal and repressive. These have been instances where strikes have been accompanied by disorder or where individuals from scattered enterprises have banded together to address general abuses on a national scale.

The best known example of a strike leading to violence and



deaths was in Novocherkassk in 1962 when Soviet troops opened fire on strikers protesting about the doubling of prices for meat, milk and butter. After the first deaths, the strikers threw themselves furiously on the firing troops. The strike was suppressed but a large number of people are believed to have died.

A mechanism for redressing grievances exists in Soviet factories in the form of trade unions but these are not always effective because they are under firm party control.

The union leaders arrange special services, such as paid holidays, but they must also help management meet production quotas and enforce discipline. In 1977, a group of disaffected workers headed by Mr. Vladimir Klebanov, a former shift leader in a Donbass coal mine, attempted to organise an independent union.

The members of the group had all been sacked from their jobs for trying to protest about abuses outside the established unions. After they announced their intention to form an independent union many were arrested or intimidated

Moscow lashes out at renegade parties

BY LESLIE COLITT IN BERLIN

THE SOVIET UNION has levelled its first attack against Yugoslavia, Romania and the Eurocommunists of Western Europe since the death last month of President Tito, the Yugoslavian leader, who began the move for the independence of Communist parties.

The parties which refused to take part in a recent meeting of pro-Moscow Communist parties in Paris are accused of "unforgivable opoprtunism" in the current issue of the magazine "Problems of Peace and Socialism." The publication, which appears in Prague, compares the renegade parties with the "most dangerous forms of anti-Communism."

Prominent among the European Communist parties which did not take part in the Paris meeting were the Yugoslav, Romanian, Italian and Spanish.

The unsigned article in the Prague journal, whose editor-in-chief, Mr. Konstantin Saradow, is a member of the Soviet central committee, attacks the dissenting parties without ever naming them. This is standard practice among "fraternal" parties as distinguished from the name-calling between the Soviet and Chinese parties.

The magazine attacks the Eurocommunists for "revisionist attempts" to split the international Communist movement with the help of concepts such as "national communism" and the "two Marxisms — the 'Western' and 'Eastern' Marxism."

This is one of the strongest charges against parties which refuse to acept directives from Moscow since the Soviet Union criticised Romania in December, 1978, for defying a call by President Leonid Brezhnev to increase its defence budget along with the other Warsaw Pact countries.

Ironically, a tribute is paid to President Tito on the last page of the journal. It says the "bright memory of Josip Broz Tito will always be preserved in the hearts of the communists of the world."

The article attacking the Eurocommunists closes by warning them that "every opportunist concession" to anti-Communism only increases the "appetite of the imperialist ideologists" and will end in "the self-execution" of the independent-minded Communists.

Warning to Bonn on missiles

MOSCOW — The Soviet Communist Party newspaper Pravda yesterday called on the West German Government to reverse its decision to station U.S. nuclear missiles on its territory if it wanted to pursue military detente.

The blunt ultimatum comes less than three weeks before a visit here by Chancellor Helmut Schmidt. It suggests that Herr Schmidt and Herr Hans-Dietrich Genscher, his Foreign Minister, would come under heavy pressure when they arrive here on June 30 to abandon West Germany's central role in plans agreed by NATO last December for a new generation of medium-range missiles.

Under the plans 574 Cruise and Pershing 2 missiles will be deployed under U.S. control in Western Europe from late-1983 as a counterweight to the build-up of Soviet SS20 missiles.

The Soviet Union has said talks on limiting missile arsenals cannot be held unless the NATO decision is abandoned or at least suspended, and it has rebuffed a suggestion by Herr Schmidt for an immediate deployment freeze
Reuter

Swiss trial for French officials

BY BRIJ KHINDARIA IN GENEVA

TWO FRENCH customs men are to stand trial in Zurich on charges of economic espionage, undertaking banned activities in favour of a foreign Government and incitement to violate Swiss federal laws on banking secrecy.

Alarmed by the outcry in France because of the detention of the two officials last month, the Swiss are now playing down the incident. The public prosecutor has only asked for a 10-month suspended jail term for M. Bernard Rui and a five-month suspended sentence for M. Pierre Schulz. The prosecution is also seeking a fine of SwFr 5,000 (£1,314) for M. Rui and a SwFr 2,000 fine for M. Schulz.

The two accused were arrested for trying to collect information about the accounts of French citizens in Swiss banks but were later released on bail. Their lawyers are expected to seek postponement of the trial due to start next Tuesday. The Swiss are keen to speed matters up because of controversy in Switzerland about the grounds on which the Frenchmen are being sued.

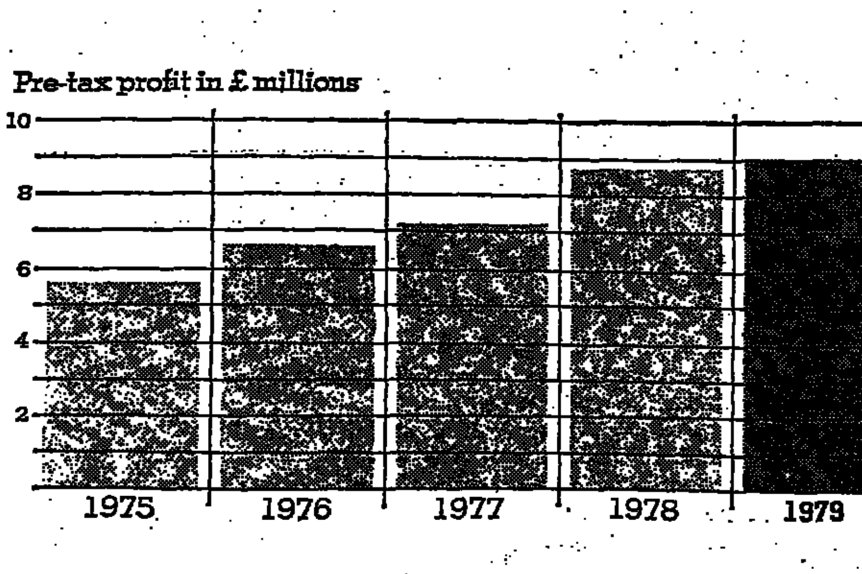
There is growing sympathy with the French view that Switzerland should not regard investigations of tax evasion by foreign officials as economic espionage. The argument of Swiss banks that laxity towards such investigators will damage the confidence of foreign investors is viewed with scepticism by the Swiss Government and the national bank, which while safeguarding secrecy, wants to stop Swiss banks from protecting tax evaders.

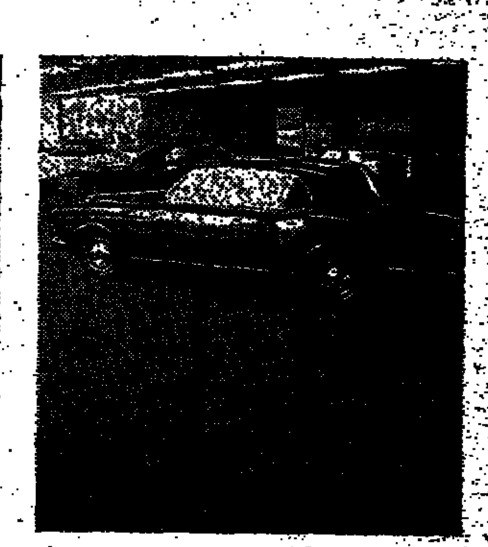
Many parliamentarians feel that Switzerland must agree to help foreign Governments investigate fiscal fraud especially as taxes are on the increase in all Switzerland's neighbours. A measure before the lower house of Parliament would authorise the Swiss Government to provide such help.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

We wrap biscuits in Canada make transformers for Malaysia cover Britain's floors with Flotex and help travellers see the world.

For many years the policy of Low & Bonar has been to create a strong group by developing a broad base. Thanks to diversification and highly successful acquisitions, Low & Bonar is today a £157 million group with operating companies as far apart as Canada and Australia.





PACKAGING We manufacture paper, polythene and textile sacks. Our food wrappers, cartons and bags are found in supermarkets throughout Britain and Canada. Our films protect goods in transit. And we supply machinery complementary to our extensive range of packaging products.

ENGINEERING High technology plays an important role in many of our operations embracing metallurgical, mechanical, instrument and electrical skills. Nuclear research establishments and communications networks use our electronic control equipment. Our specially developed alloys and valves serve many demanding industries. And our transformers and switchgear provide a vital link in electrical supply systems worldwide.

TEXTILES We have units in Britain, Africa and Belgium producing a wide spectrum of items ranging from tents to ties. Plus, of course, the now famous Flotex carpeting which in a short time has become a leading floor-covering for commercial, industrial and health establishments.

TRAVEL Our 45 offices in the UK act principally as retail travel agencies, helping people to visit all corners of the world. But we also cater for the needs of specialist touring groups.

If you would like to know more about Low & Bonar please contact the secretary for a copy of our latest report and accounts.

Low & Bonar Strength from a broad base

63 King Street, Dundee, Scotland DD1 9JA Telephone: Dundee 24111 Telex: 76103

Giscard's support takes a tumble

By Robert Mauthner in Paris

THE FRENCH President, M. Valery Giscard d'Estaing, would face an extremely tough battle in the next presidential election if the Socialist party decided to nominate M. Michel Rocard, the leader of its moderate wing, as its official candidate, according to a public opinion poll published yesterday.

The poll, taken in early June and published in the weekly magazine Paris-Match, indicates a significant fall in the percentage of the electorate intending to vote for M. Giscard, if he runs for a second term next spring.

If he were running in the first round against M. Francois Mitterrand, the Socialist leader, M. Georges Marchais for the Communists, M. Jacques Chirac for the Gaullists, and M. Michel Debré who would be standing as an independent Gaullist candidate, he would win about 35 per cent of the popular vote. This compares with 39 per cent in a poll taken in April.

Faced with M. Rocard, M. Marchais and M. Chirac in the first round, the percentage of voters intending to opt for M. Giscard would be only 33 per cent, against 35 per cent in the previous poll.

But the most striking findings were that, in the crucial second ballot, when only the two leading candidates in the first round are left to fight it out, President Giscard could be sure of winning only if the left-wing candidate were M. Mitterrand. In that case, he would obtain 54 per cent of the popular vote.

But if M. Rocard were running against him, the race would be virtually a dead heat, with each candidate obtaining about 50 per cent of the vote.

Though M. Rocard would represent the biggest threat to the President, he is by no means certain of nomination. The Socialists are still deeply divided between a majority which supports M. Mitterrand's candidature and a minority which backs M. Rocard. A final decision on the nomination is not due until the end of the year.

'Africa's gendarme' hopes aid can replace intervention

BY DAVID WHITE IN PARIS

FRENCH POLICY in Africa is changing. Twenty years after most of its colonies won independence, France is looking for new props to shore up its influence on the continent.

At the meeting last month in Nice between President Giscard d'Estaing and representatives of 25 African countries, there were hints from the French side that if France is to play the Good Samaritan to a wider range of needy countries, it will have to spend less time as the "Gendarme of Africa."

In the past few years, French forces have rallied to the defence of "moderate" African governments and provided the only effective Western counterweight to Cuban-cum-Soviet intervention.

The climax of France's gendarme role was the Foreign Legion's successful parachute attack on rebels in southern Zaire two years ago. But the three French military actions since then have proved discouraging. In the first, French action was overtaken by events; in the second, it failed; in the third it has proved embarrassing.

Morocco's efforts to maintain control over the former Spanish Sahara began with France as an effective ally of the Moroccans and defending Mauritania against the Polisario rebels backed by Algeria. But a coup d'état in 1978 caused Mauritania to abandon its part of the disputed territory and this changed the alliance. The rebels' "republic" is gaining increasing recognition and France has had to move swiftly to a position of neutrality.

In Chad, 1,100 French troops completed an orderly withdrawal from their isolated base outside N'Djamena, the capital, on May 17, having seen to the evacuation of European families. But the civil war between rival factions of the victorious rebel armies from the Moslem north of the country continues. France had been proclaiming its intention to pull out for over a year, judging the country to be dangerously over-militarised. In Nice, President Giscard put his foot down and said the troops were going and there was no new French initiative on its way.

The troops originally went in to defend a black-dominated military regime against a Libyan-backed revolt. France's effort towards a political settlement involved rehabilitating Mr. Hissen Habré, a former kidnapper who was judged to be the northern leader most likely to stop Chad becoming a Libyan satellite and who was therefore promoted Prime Minister. But a negotiated settlement in Lagos last August, from which France was excluded, led to the emergence of Mr. Gorkouni Weddeye as leader of a fragile coalition which soon fell into open conflict. There are real fears that the vast, empty territory will fall under Libyan control.

In the Central African Republic, paratroopers can probably claim they averted a blood-bath, but the French-backed coup which overthrew Emperor Jean Bedel Bokassa in September last year and re-installed the previous president has backfired in three ways. First came the acutely embarrassing allegations that M. Giscard and other personalities received boxes of diamonds from the deposed dictator.

Then, Mr. Bokassa arrived in Paris claiming that he was still a French citizen. The French Government managed to pack the ex-French soldier off to the Ivory Coast, but the incident highlighted the favour Bokassa had once enjoyed.

Finally, M. David Dacko, the re-installed President, revealed that French troops had not come in to assist after the coup, as had been implied. Instead, the first 400 paratroopers had landed at the same time as he.

President Giscard does not like the word "intervention." At Nice he insisted that intervention was not part of France's policy, which he defined anew as "non-interference and solidarity." By solidarity, he meant that France would continue to respond to appeals from African countries. But he hoped the appeals would involve contributions to development rather than anything else.

A paratrooper on guard last month in N'djamena shortly before all French troops were pulled out of Chad.

In the mid-1970s, France's main concern was Angola and the progress of the Soviet Union and Cuba on the continent. Now, the preoccupations are more complex.

The Chad conflict is having an unsettling effect on the rest of former French Equatorial Africa while there are fears for the stability of Zaire and certain "moderate" states of former French West Africa. Senegal is in deep economic trouble while an unsuccessful putsch against President Houphouet-Boigny of the Ivory Coast merely underlined doubts about his succession. But the Nice meeting showed the French at least as anxious to woo "progressive" states such as Benin and Congo, who are opposed to intervention on principle, as the "moderate" stalwarts.

France has widened the scope of the meetings since President Pompidou launched them in 1973. At Nice, there were 25 African countries represented, 14 by their heads of state. The group has taken in not only Zaire and other former Belgian colonies, but also the smaller ex-Portuguese and ex-Spanish states and two Commonwealth members, Mauritius and Sierra Leone. But there are important absentees, including Guinea, Cameroon and Madagascar.

M. Giscard is hoping to get the whole Organisation of African Unity to back his proposal for a "trilogue" between Arab countries, Africa and Europe, already approved by the Franco-African group. The scheme, with cultural trimmings, is essentially a bid to channel more petrodollars into aid for Africa, backed by European guarantees and using European skills and goods.

The "trilogue" requires decisions by the EEC and the Arab League before preparations can be made for a foreign ministers' conference. A summit is not expected before 1982, and by that time Africa's economic plight will have worsened and some of its governments doubtless been overthrown.

What the African countries wanted more urgently in Nice was French aid and French support in securing more stable commodity prices and a liberal application of the Lome II trade pact with the EEC. Paris has promised more funds. The budget of its Co-operation Ministry, which handles the bulk of French aid to Africa, has been raised 23 per cent this year to FFr 4.3bn (£500m).

France has 150,000 citizens living in Africa and over 7,000 troops on the continent. It also has large interests in mineral exploration, oil operations, public works, telecommunications and cars and its trade surplus has been rising.

But mercantile concerns alone would not explain France's interest in maintaining an African lobby. M. Giscard keeps a close eye on the continent, and France's Africa policy has remained to a large extent the preserve of a series of presidential advisers.

With the rise in oil prices, the Nice collection of mostly minor African states relies more than ever on France's aid. By presenting himself as their natural protector, President Giscard manages to keep up the appearance that France's Africa policy is still going strong.

Banks set their face against lending more to Turkey

BY DAVID TONGE

THE WORLD'S leading banks are resisting strongly suggestions that they should lend more money to Turkey. Next week, Western governments meet in Paris to discuss rescheduling about $3bn of Ankara's official debts, as well as some past debts which have been rolled over once before. Then, they believe, it will be the bank's turn "to pull their weight."

But a number of leading U.S. and European bankers say there is no question at present of them raising fresh medium-term funds to help Turkey through its continuing crisis. They say they will continue slowly to build up their short-term exposure to Turkey on revolving acceptance credits. "Increasing these helps both our exporters and Turkey," in the words of one banker.

A European bank, approached by its national government, said it would only lend fresh money with its own government's guarantee — an action which Bonn took over a loan to Portugal two years ago.

Although the IMF and the OECD stress that Turkey's revival depends on an adequate supply of foreign funds, the banks are adamant. They also say that the worst measure Turkey could take if it wishes to restore its credibility would be to ask the banks to renegotiate agreements signed last year for $407m of fresh money and for rescheduling $2.9bn of bank debt.

These debts, like the $2.3bn of official and government-guaranteed debt rescheduled in 1978 and 1979, are to be paid back over seven years. Turkey is known to be thinking of asking that the term should be changed to 10 years.

However forcefully the banks put their view, government officials say they are keeping in touch closely with the banks and hope, by leading and pushing, to encourage them to follow the example Western governments hope to set next week.

Next Wednesday, the IMF is expected to approve formally a three-year stand-by agreement for 1.25bn Special Drawing Rights ($1.65bn). And between Tuesday and Thursday, Western governments are to hold a crucial meeting, under the aegis of the OECD, to tackle the thorny problem of official and guaranteed debt.

In 1978, $1.2bn of this debt, falling due in the year to June 1979, was rolled over. The same thing was done the next year on $1.1bn worth of debt falling due in the year to this June. However, only one-third of the bilateral agreements necessary to implement this multilateral deal have been concluded.

OECD members have put together major aid packages for Turkey, including one of $1.16bn in April, but Ankara has had problems in meeting payments due on the debt which has been rolled over. Next week's Paris meeting is intending to tackle this and to try to deal with the future. Turkey's total debt exceeds $14bn and between 1980 and 1982 an additional $2.8bn of official and guaranteed debt is falling due. The OECD is keen to see a three-year programme concluded which will run in parallel with the expected IMF stand-by agreement.

The radical measures announced by the government of Mr. Suleyman Demirel in January—which included opening the country to foreign investment and competition, abolishing price controls, and devaluing the lira—have won widespread Western praise. They have been followed by more measures to liberalise the economy.

Turkish banks are now to be allowed to set their own interest rates. Possessors of fortunes made from the black market will be allowed to deposit them with the banks without questions being asked. The red tape surrounding exports has been further unravelled.

None the less, some Western governments are worried about how far all these measures will be implemented and how much they can alter the underlying situation. Inflation has reached levels of over 80 per cent, and this year's current account deficit could reach $4bn.

There is concern, too, over the viability of Mr. Demirel's minority administration, as there is about the level of political violence and killing. A report by Amnesty International that "most people now being arrested by police and martial law authorities" are being subjected to torture has increased the anxiety.

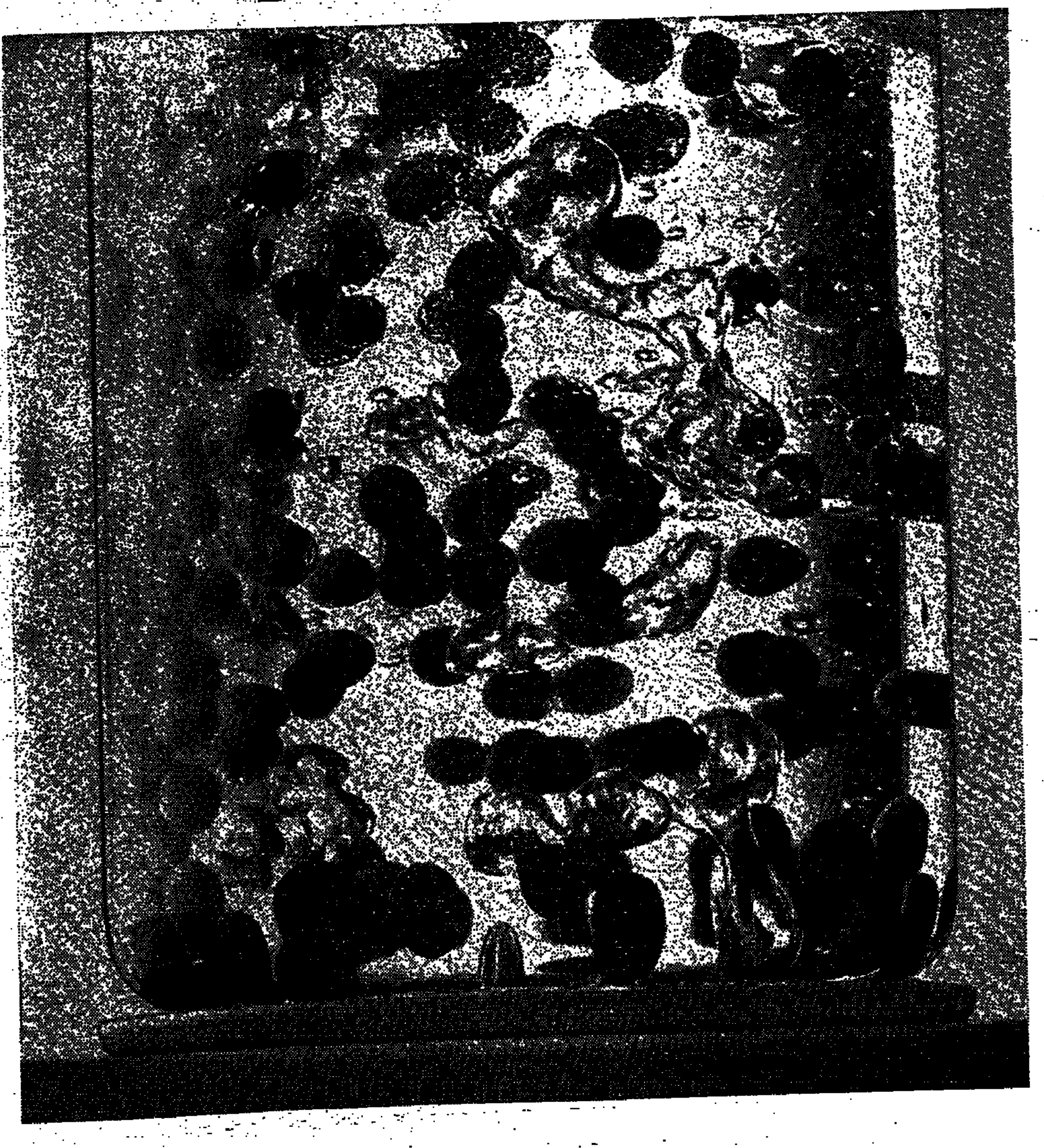
The Turkish Government says that the black markets in foreign exchange, and many goods have been largely eliminated. In the autumn, an OECD team is expected to visit Turkey to review progress.

Western officials say that with the benefit of hindsight the previous reschedulings of Turkish debt were done on terms which were too tough and "not very realistic." Some complain that the banks are "behaving like daisies" and that "it is not possible to let them off the hook."

The banks express sympathy with the Turkish Government and say that each time it seems about to succeed it is "flattened" by an increase in its oil bill.

They also admit that this is a general problem affecting many developing countries. But, they say, this does not make it any easier to persuade their auditors or shareholders that they should increase their lending to Turkey. Says one banker: "An IMF agreement and a major rescheduling by Western governments will all help, but the main point for us is that there must be progress on the ground."

Now industry can burn coal like you cook peas.

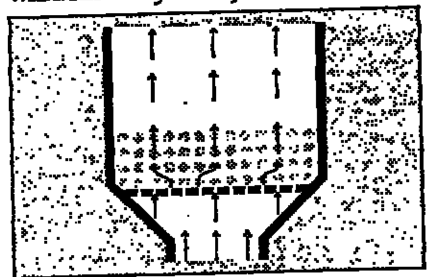


The theory is simple.

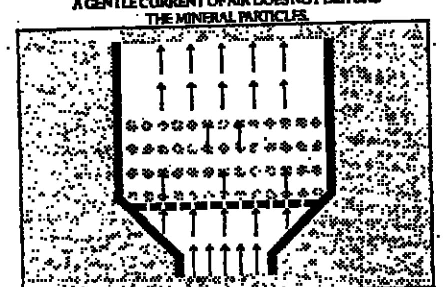
Imagine a red hot bed of inert mineral matter, like sand or ash.

Now pass an upward current of air through the bed. At a certain velocity the particles of sand or ash will become highly turbulent and 'boil' in a similar fashion to a liquid.

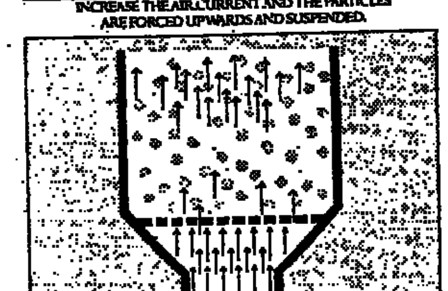
You now have a fluidised bed, into which industry can inject and burn coal.



A GENTLE CURRENT OF AIR DOES NOT DISTURB THE MINERAL PARTICLES.



INCREASE THE AIR CURRENT AND THE PARTICLES ARE FORCED UPWARDS AND SUSPENDED.



INCREASE THE CURRENT FURTHER AND THE PARTICLES BEGIN TO ACT LIKE A FLUID.

Save, Save, Save.

Fluidised bed combustion provides very high heat release rates.

And since combustion takes place at a relatively low temperature, a wide range of coals can be burnt efficiently.

With fluidised bed combustion, not only can boiler sizes be reduced, but the emission of sulpher dioxide and nitrogen oxides fall well below the accepted standards.

Putting theory into practice.

Over the years, extensive development and experimental programmes have been carried out on fluidised bed combustion for Industry.

Several plants are already operating commercial loads in this country.

In 1977, Antler Limited, the biggest manufacturers of luggage in the U.K., installed a vertical shell type fluidised bed boiler.

Its efficiency has been shown to be in excess of 80%.

The Tomato Plant.

CWS of Marden, near Hereford, grow 8½ acres of tomatoes under glass.

Half of their greenhouses are now heated by a fluidised bed boiler.

Mr Rossiter, the estate manager of CWS, was impressed by the economy of the new system.

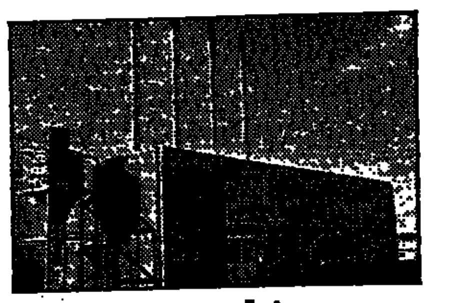
"Our expected bill for oil for 1979-80 was £60,000, but with coal-fired fluidised bed we've estimated a saving of about £22,000."

Other significant developments.

As well as the developments in fluidised bed combustion, there have been other significant advances in boiler technology, combustion equipment and methods of coal and ash handling.

It's now possible to operate in excess of 80% thermal efficiency with modern coal fired plant, which makes coal firing both extremely economic and competitive.

With the modern coal or ash handling equipment now available, coal firing can be automatic and highly effective which permits coal fired boiler houses to be light, airy and spotlessly clean.



Free, expert advice.

The wide range of coal fired boiler plant and equipment is designed to meet every conceivable need, from power generating requirements to small units in commercial buildings.

If you would like brochures giving you more information or would like one of our fuel engineers to visit you, please contact the NCB Technical Service.

We can advise you on making the best use of your existing plant, provide information about new equipment and techniques, tell you how much new equipment costs and what savings it can achieve.

Send to: The National Coal Board, Technical Service Branch, Marketing Department, Hobart House, Grosvenor Place, London SW1X 7EA.

Name ____________

Title ____________

Company ____________

Address ____________

FT. 580

☐ I would like some technical leaflets on modern industrial coal burning equipment.

☐ I would like one of your fuel engineers to visit my company.

☐ We are considering installing new industrial coal fired burner plant.

NCB

COAL—BRITAIN'S ENERGY INSURANCE

OVERSEAS NEWS

The balancing act required from Zimbabwe's Prime Minister after 100 days in office is examined by **Tony Hawkins** in Salisbury

Mugabe's crises of expectation—from whites and blacks

IN HIS FIRST 100 days in office as Prime Minister of Zimbabwe, Mr. Robert Mugabe has successfully walked the tightrope separating black aspirations from white fears. But as every day goes by, the difficulties of maintaining this delicate balance increase.

At the root of his problems lie two conflicting, and to some extent mutually exclusive, crises of expectations. As Mr. Mugabe takes stock of his position he must be acutely aware of the danger that his tightrope act will leave him isolated in no-man's land surrounded by disappointed blacks on one hand and demoralised whites on the other.

That there would be a crisis of black expectations whoever won the elections was obvious from the moment the Lancaster House agreement was signed. All parties promised a major improvement in the lot of the country's 7.2m blacks: more and better paid jobs, more and better housing, more land, free health and education, a state-financed pension scheme and so on.

Add to these promises the formidable task of rehabilitation and reconstruction of the rural economy after seven years of debilitating guerrilla war and the need to make good the backlog in both private and public sector investment that developed during the 15 years of economic sanctions, and it is all too apparent that for many blacks expectations are going to re-main unfulfilled.

Even if the economy were to manage a 6 per cent real growth rate through the 1980s, it would still take until 1991 to regain the level of real income per capita achieved at the peak of the UDI boom in 1974.

For the whites the crisis of expectations is largely of their own making. During the years of war and sanctions, the business community in particular, convinced itself that if only lagal independence could be negotiated, as it was at Lancaster House, the country would attract unprecedented foreign aid and foreign investment while the mere act of ending sanctions would stimulate a sustained economic boom.

Robert Mugabe: not a foot wrong

But in the three months since the elections, businessmen have increasingly come round to the view that their hopes were unrealistic, for three main reasons. First, they exaggerated the likely levels of aid. Although British officials are claiming that the actual amount of aid oers could well, over a three year perod, come within hailing distance of the $1bn promised by Dr. Henry Kissinger in 1976, this argument is hardly convincing when the needs of the new Zimbabwe and inflation are taken into account.

Secondly, Zimbabweans are unhappy at the form the aid is likely to take. What Zimbabwe needs desperately is cash inflows but the bulk of the aid on offer is externally-supplied technical expertise.

The third reason for disappointment—and in many respects the most serious—is that very little private sector foreign investment has so far been promised. Until the announcement that France and West German manufacturers and banks were to supply Z$ 120m credits for the Wankie thermal power station, the only other publicised foreign investment was the £5m promised by Rio Tinto-Zinc. Numbers of foreign businessmen have visited Zimbabwe and expressed interest but more often than not they have left with a "wait and see" attitude. Most are waiting at least until next month's budget.

There is little doubt that investor sentiment—both at home and abroad—is being adversely affected by what Mr. David Smith, Minister of Commerce and Industry, calls "the hot air" in the media. This is a reference in the main to the radio and television commentaries on the Zimbabwe network, espousing socialism and African liberation and scathingly critical of past regimes in Zimbabwe.

Ultimately though, it will be deeds and not words that matter. If one judges the Mugabe Administration on what it is doing rather than on what some Ministers and back-bench MPs are saying, the picture is of moderate pragmatism.

The Prime Minister has not put a foot wrong since taking over power. Visiting businessmen and diplomats leave his office impressed with his sincerity and commonsense. Their doubts flow partly from the puzzling welter of conflicting statements from different levels of Government, the party and the state-controlled media and partly because, despite Mr. Mugabe's policy of reconciliation, it is obvious that there are major tensions between the two black parties that make up the Government coalition—Mr. Nkomo's Patriotic Front, which is very much the junior partner, and Mr. Mugabe's ZANU-PF—and between blacks and whites.

The focal point for these tensions is the armed forces on one hand and the public sector on the other. The programme to integrate the three former armies—Mr. Mugabe's Zanla, Mr. Nkomo's Zipra and the Rhodesian security forces—into a single national army is not making satisfactory progress. So far a mere 1,200 of the 38,000 guerrillas have been selected for training.

Mr. Ernest Kadungure, Zimbabwe's Minister of Transport and Power, announced yesterday that the Government had negotiated two loans totalling Z$120m (£82m) to finance stage one of the Wankie thermal power station. Construction started some years ago but was halted because of sanctions against Rhodesia. The Minister said that supplier credits totalling Z$60m had been granted over a 10-year period at 8.25 per cent by the major West German and French engineering groups MAN and Alsthon Atlantique. Mr. Kadungure said the remaining Z$60m would be lent by a consortium of commercial banks but details were still under negotiation. A further Z$100m would be needed to complete the project which would come on stream in three to four years. Mr. Kadungure said Zimbabwe was importing 263 MW a year, or 25 per cent of its electricity, from Zambia. Stage one of Wankie would produce 480 MW.

Also little progress has been made in persuading substantial numbers of the guerrillas in the camps to revert to civilian occupations. It is argued in Salisbury that the country needs no more than 15,000 men so that more than 20,000 guerrillas will need employment. In addition, a substantial number of the former Rhodesian forces would have to be found jobs elsewhere.

Against this background, it appears that white morale, and business morale, has deteriorated since the independence celebrations nearly two months ago. White Zimbabweans have a talent for persuading themselves that nothing will really change. But change is taking place and much more is to come. The decision to provide accelerated advancement for blacks within the Civil Service, even where this means superseding white officials, with better experience and qualifications, while predictable, has shattered the "no change" illusion. It will lead both to a significant outflow of whites from public sector employment and from the country. It has worried the Government enough for Mr. Gnos Nkala, the Finance Minister, to say that the Government might be forced to abolish the incentive scheme offering higher pensions and free remittability of pensions outside the country to civil servants who opt to leave.

Although the rate of white emigration from Zimbabwe *is* running well below the levels of a year ago — 4,200 left in the first four months of 1980 as against 5,300 in the same period last year — it has picked up considerably from the last quarter of last year when the monthly outflow averaged 700. Current estimates suggest that there will be very heavy outflow of whites in the final months of 1980 with the annual outflow being forecast at more than the 1978 total of 16,500.

In the short run, the significance of white emigration is primarily economic. White agricultural skills are crucial in respect of land resettlement and food programmes. The Government has purchased more than 80 vacant farms from white farmers totalling 321,230 acres for resettlement of refugees, former guerrillas and tribal farmers needing extra land.

But for the land resettlement programme to succeed, expertise, as well as available land and capital, it vital. On current trends, the skills constraint is likely to be more severe than that of land or funds.

Two other important areas—industrial relations and finance—have also been crucial in the early days of Mr. Mugabe's Government. The labour situation itself is a microcosm of the equity versus growth trade-off that is at the heart of the Government's decision-making problems in the economy. The Government has been accused by the grassroots of falling between two stools and on taking office the administration faced a rash of wildcat strikes in which the fundamental grievance was pay.

In many of the strikes, Mr. Kumbirai Kangai, the Minister of Labour, or his deputy, intervened to get workers back to work promising that their grievances would be investigated. The outcome was a national minimum wage in commerce, industry and mining of Z$70 a month (£48) and of Z$30 a month (£20) in private domestic service and agriculture. Not only is the Z$70 below the Poverty Datum Line figure calculated nine months ago by the University of Zimbabwe, which was over Z$100 a month. It was also well below what the workers themselves had been anticipating.

The pill was sugared for the disappointed workers by a promise that the minimum in commerce, industry and mining would rise to Z$85 (£58) on January 1, 1981, while in private domestic service and agriculture, wages and other conditions of service such as rations, accommodation and clothing will be investigated by a government commission. In addition, from July 1, it will be an offence to sack anyone purely because of the minimum wage (though this will be difficult to police) and the government has committed itself to a prices freeze on essential goods.

There is precious little room for manoeuvre on the budgetary front. It is estimated that in the fiscal year ending on June 30, the budget deficit will be of the order of Z$550m to Z$600m (£375m to £410m). Indeed, the deficit is roughly half the total national budget expenditure of Z$1.2bn (£820m).

Joshua Nkomo: the junior partner

Immediately on taking office, Mr. Nkala reduced the rate of general sales tax from 15 per cent to 10 per cent and at the same time exempted sugar, tea, margarine and cooking oil from the tax altogether. In a full year, these moves will cost the exchequer Z$65m (£45m) or about 10 per cent of the total tax revenue base as it now stands.

He has recouped some of this with higher duties on drink, tobacco and betting. But the budget deficit remains formidable since although state spending on social services, such as reopening of schools and clinics closed during the war, is rising sharply.

The much-required decline in security expenditure is taking place at a far slower rate. Last year the war was absorbing 41 per cent of the budget and in theory there should be scope for a massive switch of resources to more productive state expenditure. But with more than 35,000 guerrillas still in the camps, with continuing outbreaks of banditry and terrorism by dissident former guerrillas in parts of the country, and with some units of the forces being deployed in the south-east to assist Frelimo against Mozambique dissidents, it is clear that the rundown in military spending is going to be slower than was hoped.

In the past, the substantial budget deficit was funded by heavy domestic capital market borrowing on the one hand and external borrowing on the other. With South African help ruled out—not because Pretoria would not lend but because it will only lend publicly which would be politically embarrassing for Mr. Mugabe—and with no other governments willing to offer budgetary aid, it looks as though Mr. Nkala will be forced to rely more than ever on local market borrowing, some resort to the Euromarkets and higher taxes or a broader tax base at home.

Given the Government's commitment to income and wealth re-distribution and the 400,000 to 500,000 black school-leavers who have failed to find jobs in the past five years, the obvious need is for a strategy of growth with re-distribution as advocated by the World Bank. To achieve this substantial foreign funds—mainly private—are required.

The private sector's current reluctance to invest could well be overcome after the July budget provided that Mr. Mugabe and his senior Ministers continue to trade off re-distribution and social policies against private investment, both domestic and foreign. But if the Cabinet strays too far, one way or the other, from the middle ground it now holds, it runs the risk of being overwhelmed by the formidable problems it is encountering on all sides.

Soviet troops 'killed in Kabul'

NEW DELHI — Reports from Afghanistan yesterday told of attacks on Soviet soldiers in the capital of Kabul and said that four had been killed in the past few days. According to one account, three Soviet soldiers were killed on Tuesday and one was stabbed to death last week.

The attacks were said to have taken place in the Kabul suburb of Mikroyan, which consists of prefabricated houses especially constructed for Soviet advisers.

Fighting between Moslem insurgents opposing the Soviet presence in Afghanistan and Soviet and Government troops was reported to be continuing in the Paghman mountain range north-west of Kabul.

There were also reports of increased friction between rival factions of the ruling People's Democratic Party. Five members of the Parcham (Flag) faction of President Babrak Karmal were said to have been killed in Kabul last week by members of the Khalq (People's) group.

In the past few days there has also been trouble in the east Afghanistan town of Jalalabad, where rebels burned vehicles on the main road to Kabul.

Kabul Radio reported on Wednesday that the rebels were using poison gas and other toxins, which were harming the local population. The Afghan Government itself is also said to have used gas in retaliation against students who took part in anti-Soviet demonstrations last month. Reuter

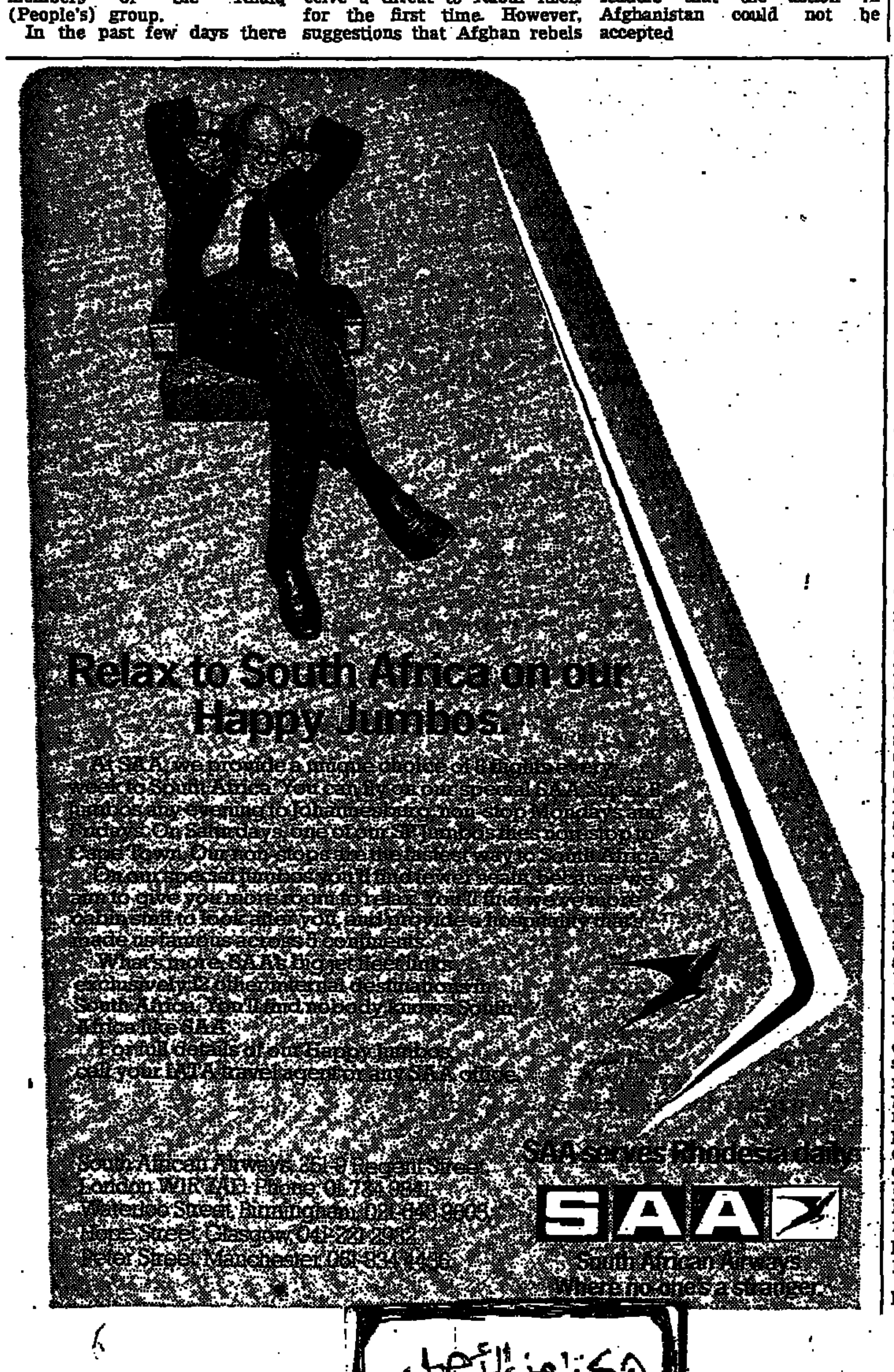
K. K. Sharma, adds from New Delhi: Tension has mounted in Kabul as evidence has grown of the rebel presence around the city. Guerrilla fighting near Kabul is said to have increased to the same intensity as in other parts of the country, and Russian troops are reported to have taken up defensive positions at points in the city where they have not been seen before.

This is being interpreted as a sign that the Russians now perceive a threat to Kabul itself for the first time. However, suggestions that Afghan rebels are massing north-west of Kabul in the Paghman range may be exaggerated, with only a small skirmish there last week.

There have also been reports of unsuccessful coup attempts in Kabul within the past ten days. Kabul Radio has confirmed that there have been assassinations.

Reuter reports from West Berlin: Chancellor Helmut Schmidt of West Germany said here that he intended to make it clear during talks with Soviet leaders later this month that the West could not swallow the military intervention in Afghanistan.

Herr Schmidt, who is going to Moscow for two days on June 30, told the annual conference of the Transport Workers' Union on Wednesday night that he intended to play with open cards in the Soviet capital. The object was not to conclude treaties but to make it clear to Kremlin leaders that the action in Afghanistan could not be accepted



Allies at odds over rebel isle

By David Tonge

A DAY after Britain decided that the situation in the New Hebrides required the despatch of 200 marines, France announced yesterday that it considered the islands to be calm and would withdraw 60 gendarmes sent in on Wednesday.

The French move brought into the open the differences between the two countries over how to handle their rebellious Pacific condominium. It shocked the New Hebrides government of Father Walter Lini, which said that the blame for any unrest before the arrival of the British marines on Saturday would lie with the French.

Two weeks ago the northern island of Espiritu Santo seceded from the New Hebrides and on Tuesday islanders in Tanna tried to follow suit, leading to the death of an opposition politician.

France said yesterday that it believed that a compromise solution was required and it was necessary to avoid giving the impression that an iron military hand was being used to tackle the "bow-and-arrow revolt."

London tried to play down the apparent disagreement, saying that Whitehall had been consulted about the French departure. The gendarmes would be within three hours flight of the New Hebrides.

S. African economy 'buoyant'

BY QUENTIN PEEL IN JOHANNESBURG

GROWTH OF the South African economy is likely to exceed budget forecasts and be the best this year since 1974, Senator Owen Horwood, the Minister of Finance, said yesterday.

Forecasting a growth of real gross domestic product of more than 5 per cent, Senator Horwood said the balance of payments current account surplus had risen to a new record R1.97bn (£1.08bn) in the first quarter, with a continued improvement in the value of exports.

In the first five months of the year the rand appreciated by 11 per cent against the dollar under its managed float, or 8 per cent against other currencies.

Senator Horwood said conditions in most sectors of the economy were distinctly buoyant. Although real fixed investment had still not risen adequately, "it shows every sign of moving ahead rapidly

The Finance Minister's growth forecast is slightly more conservative than the latest by the Standard Bank, which predicted a growth rate of some 6 per cent, with significant improvement in such areas as retail sales, car sales and building activity.

Senator Horwood also announced yesterday that plans to introduce a tax on fringe benefits before the end of the parliamentary session this week had been abandoned. There will be further consultation with all sections of commerce and industry over the measure.

● The South African Government is to take sweeping new powers to tighten the security of strategic installations following the recent sabotage incidents at key oil installations, including two of the Sasol synthetic fuel plants.

A bill introduced in Parliament in Cape Town yesterday allows Mr. P. W. Botha, the Prime Minister and Minister of Defence, to declare any place a "national key point" and to order adequate security precautions. Guards at such points, either civilians or members of the South African Defence Force will be given wide powers to search people, seize articles, and use force, including arms, according to the measure.

The proposed law is the first clear measure introduced by the South African Government since the Sasol sabotage, which destroyed fuel and storage tanks worth R5.8m (£3.18m).

Qotbzadeh opposes hostage trial

WASHINGTON — Mr. Sadeq Qotbzadeh, Iran's Foreign Minister, has again indicated that he opposes putting the U.S. hostages in Iran on trial. He said in a television interview shown in the U.S. that a trial "doesn't serve any particular purpose at this time."

Mr. Qotbzadeh was interviewed in Oslo where he has been meeting European Socialist leaders. He said he hoped the Iranian Parliament would decide on the hostage issue next month.

Asked about remarks by a senior Iranian official, Mr. Sadeq Tabatabai, who said that the hostages should be freed as soon as possible, Mr. Qotbzadeh noted that several different views on the issue were being expressed in Iran. There was a division of opinion and Iranian politicians were trying to come to a consensus on the issue.

In Tehran, the state radio reported that a counter-revolutionary organisation within the Army had been uncovered in Kurdistan. Several members of the group would go on trial next week, the radio said.

It said the organisation, known as Barandazi (Overthrow), was based in the Kurdish town of Piranshahr, close to the border with Iraq.

The radio said 11 people had been arrested, but the newspaper Kayhan quoted Hojatoleslam Mohammadi Reyshahri, head of the army revolutionary courts, as saying that six people had been held in connection with an aleged plot to replace Iran's Islamic government with a democratic one.

Hojatoleslam Reyshahri was quoted as identifying those arrested as a major, a lieutenant, three warrant officers and a sergeant.
Reuter

S. Korea poll planned for next year

SEOUL — Mr. Choi Kyu-hah, South Korea's President, said yesterday that general elections would be held early next year and that power would be transferred to an elected administration by June 1981.

He said the imposition last month of full martial law, as well as the creation of the military-dominated special committee for national security measures, would not hamper planned political development.

Speaking on television, President Choi said that as long as public order and social stability were achieved, colleges and universities would be reopened and political activities resumed.

Political activity was halted and higher educational establishments were closed after widespread student rioting in South Korean cities last month. At one stage rebellious students took over the provincial capital of Kwangju for a week before troops moved in.

Meanwhile the Bank of Korea marked the won down to its lowest point ever against the U.S. dollar. This follows recent upheavals and the U.S. currency's strength on the international market.
Reuter

Bishop freed

PEKING — Bishop Deng Yiming of Canton, who refused to break with the Vatican when a Government-backed Chinese church was set up, has been freed after 22 years in prison.

VIETNAM AND ASEAN

Hopes fade for Kampuchean accord

BY NAYAN CHANDA, RECENTLY IN KUALA LUMPUR AND BANGKOK

WITH DARK monsoon clouds now rolling over Indo-China, the time for yet another Vietnamese dry-season offensive in Kampuchea is over. But a season of diplomatic manoeuvring has begun in earnest, and while Hanoi's 200,000 troops and several thousand cadres consolidate its client regime's control over Kampuchea, Mr. Nguyen Co Thach, the Vietnamese Foreign Minister, has launched a "peace offensive" among Vietnam's ASEAN neighbours—Thailand, Malaysia, Singapore, Indonesia and the Philippines.

Hopes of a compromise move by Hanoi were raised ahead of Mr. Thach's visit to Malaysia and Thailand in May, the first since the toppling of the Pol Pot regime in Kampuchea in January last year. As one ASEAN diplomat put it: "If the Vietnamese want to repeat the claim that the Kampuchean situation is irreversible and non-negotiable there would be no point in sending their foreign minister to ASEAN." For its part, Peking was concerned enough by the conciliatory mood of Indonesia and Malaysia and by hints of flexibility from Gen. Prem Tinsulanond's new government in Thailand to issue a public warning against compromising with Hanoi.

By the time the trip ended, however, the general conclusion was that the Vietnamese Foreign Minister had been aiming not at a compromise but at selling the Vietnamese *fait accompli* in Kampuchea. Although he failed in his selling bid, Mr. Thach did expose differences within ASEAN which can work only in Hanoi's favour.

Before Mr. Thach embarked on his trip Soviet and Cuban diplomats had passed word that Hanoi might be willing to broaden the Heng Samrin regime in Kampuchea by including some non-Communists. It might also withdraw some troops if Thailand stopped offering sanctuary to Khmer Rouge fighters of the former Kampuchean regime and stopped allowing Chinese arms to pass across Thailand to their bases.

In Kuala Lumpur, Mr. Thach indicated that these offers were possible and Datuk Hussein Onn, the Malaysian Premier, spoke hopefully about "changes" in the Vietnamese position.

There were indeed changes in the Vietnamese position. After his earlier refusal to talk about Kampuchea, the Vietnamese Foreign Minister spent most of his time doing exactly that. But other changes apparent to the Malaysians seemed little more than efforts to make the Vietnamese-installed régime in Kampuchea more acceptable or, as some diplomats suspect, to exploit differences between ASEAN members.

Mr. Thach told the Malaysians that an election would be held in Kampuchea and, while UN observers would not be welcome, ASEAN could send representatives from, say, Malaysia and Indonesia. Joint teams of ASEAN and Indo-chinese observers could also monitor the Thai-Kampuchean border.

Mr. Thach also left the impression that Hanoi might itself withdraw some troops without an international agreement.

These suggestions impressed the Malaysians but failed to move the suspicious Thais. Thailand will not accept elections supervised solely by the Malaysians and Indonesians and has insisted that the UN should monitor the border.

Above all, Thailand wants an international agreement and supervision of the withdrawal of troops, and not simply a Vietnamese promise. But Mr. Thach made clear to the Malalsians that his country will not accept linking a withdrawal to an external agreement because the presence of the troops was a matter between the Vietnamese and Kampuchean Governments.

As if to exploit the differences between Malaysia and Thailand, Mr. Thach took a tough line in Bangkok. In talks with Mr. Sitthi Sawetsila, the Thai Foreign Minister, he not only confronted Mr. Sitthi with what one official called "a laundry list" of Thai "misdeeds" against the Heng Samrin regime—he pointedly withdrew the offer for the joint Asean-Indo-Chinese team of observers for the border, saying that after the visit to Bangkok of Mr. Huang Hua, the Chinese Foreign Minister, Thai collusion with the Khmer Rouge had sharply increased.

Mr. Thach will visit Indonesia and Singapore over the next month. So far the Vietnamese "peace offensive" has not brought peace or recognition of the Heng Samrin régime any closer, but it has revealed differences among ASEAN partners.

Indonesia and Malaysia accept Vietnamese domination of Indo-China and want to make peace. Thailand and Singapore, and perhaps the Philippines, still want Kampuchea as a neutral buffer. But during his trip to Bangkok, Mr. Thach drove home the point that Vietnam's acceptance of ASEAN was conditional upon the South-East Asian Nations' accepting Indo-China as a bloc.

ADVERTISEMENT

TORONTO DOMINION BANK APPOINTMENT

A. DOUGLAS KING

Toronto Dominion Bank announces the appointment of A. Douglas King as Vice-President and General Manager, Europe, Middle East and Africa Division, International Banking Group. Mr. King has served in positions of increasing responsibility in New York, Hong Kong, Singapore and Head Office and was previously Vice-President and General Manager, Canada Division. He is now based in London, England.

Japanese back plan to resume work at Iran chemical plant

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

TOP EXECUTIVES of five major Japanese companies participating in the $3bn Bandar Khomeini (£1.3bn) petrochemical project in southern Iran yesterday gave their blessing to a "formula" for the resumption of work on the project.

The formula was worked out last month by Mr. Eimei Yamashita, president of the Japanese owned Iran Chemical Development Corporation and Dr. A. K. Kouhyar, the Iranian official in charge of the project. It provides for work to be resumed in full before the end of this year and for the last of the 13 units at the complex to come on stream by mid-1982.

Resumption, however, is still conditional on the settlement of disputes between the Iranian authorities and the 28 Japanese contractors involved in the project. These disputes will be the subject of direct talks between the companies concerned and an Iranian mission, headed by Dr. Kouhyar, which is due in Tokyo tomorrow.

After the conclusion of "general" talks between Mr. Yamashita and Dr. Kouhyar in Tehran last month Iran asked the Japanese contractors to "present themselves" at Bandar Khomeini for an on-the-spot inspection of the complex and for talks on financial and other problems arising from the 14-month suspension of work on the project. The Iranian side indicated that failure by the contractors to put in an appearance within two weeks would result in a decision to request East European, instead of Japanese, assistance in the completion of the project.

The two-week ultimatum expires this weekend but is now expected to be "stretched" somewhat following the decision of Dr. Kouhyar to visit Tokyo. Immediate expropriation of Japan's interest in the project and the substitution of an East European partner is not regarded as probable by the Japanese participants.

Outstanding issues between the Iranian side and the Japanese contractors include about Y10bn (£1.9bn) worth of compensation claims by Iranian workers dismissed when work on the complex was suspended last year; an Iranian demand that Japanese workers at Bandar Khomeini should pay social security contributions (equivalent to 30 per cent of their salaries) in Iran instead of in Japan; and a Japanese request for guarantees of personal safety for expatriate personnel at Bandar Khomeini.

Some of these issues could prove difficult to settle but both sides have a strong reason to work towards speedy resumption of work on the project. Interest payments on the loans required to finance Bandar Khomeini are running at $400,000 a day, a sum which is being virtually thrown away while the project remains suspended.

British Steel in big Korea deal

By Our World Trade Staff

THE BRITISH Steel Corporation has won a major order to supply 60,000 tonnes of steel to South Korea for the third and fourth extensions of the Seoul subway, to be shipped over the next year.

Although BSC would give no details of the value of the order, Lloyds Bank International is providing supplier credit, backed by the Export Credits Guarantee Department, to the Seoul Metropolitan Government at terms yet to be disclosed. Lloyds will refinance the loan through the Eurodollar market for a further five years on the date due.

BSC said that the order, which follows one for 6,000 tonnes of steel two years ago for the same project, was for medium and heavy steel sections, which would be made at Scunthorpe and Teesside.

Lloyds has also received a mandate from South Korea's Economic Planning Board (EPB) to seek a further loan through the Eurodollar market to cover supply of steel plate for the subway extensions.

The loan will be placed through the London market. The successful tenderers for the supply of the steel plate have not yet been disclosed.

UK trade officials differ in protection debate

BY PAUL CHEESERIGHT

THE UK debate on the merits of international free trade came into sharper focus yesterday when Government and Opposition officials differed on what degree of protection should be given to local industry.

But both sides turned firmly against the ideas of Mr. Wynne Godley and the Cambridge Economic Policy Group: high tariffs and tax cuts to stimulate the economy.

It is a lunatic notion, argued Mr. Cecil Parkinson, Minister of State for Trade, that a nation which is more dependent on trade than any other should put up the shutters. But he accepted the case for restraints in the face of dumped imports and cited the restrictions placed on U.S. synthetic fibres.

However, Mr. John Smith, Secretary for Trade in the last Labour Government, argued that the position of some manufacturing industries had been eroded so much that selective import controls cannot be avoided. The case for controls should be examined on an industry by industry basis.

This difference in policy emphasis was reiterated at a London conference organised by Westminster and City Programmes. Partly it arose from different conceptions of what industry can stand in the face of recession and gathering competition.

Partly it arose from traditionally different conceptions of the Government role in the economy—whether, in fact, the Government should play a directing role in economic recovery.

But both Mr. Parkinson and Mr. Smith were highly conscious of the UK position in a range of international organisations. This cuts the scope for individual action, and it was noticeable that Mr. Smith was looking for ways to make the present system work better, as far as the UK is concerned, and to circumvent it.

Thus he wanted the EEC to be more dedicated in its application of anti-dumping mechanisms. At the same time he wanted to develop trading agreements with major partners: This is the idea of managed trade—two countries deciding, in effect, what they are going to sell to each other and making arrangements for it. This could be done both through the EEC and nationally.

Mr. Parkinson seemed content with the present structure of the UK's trading relations. As he noted, 40 per cent of the UK trade is with the EEC, and this is where exports are growing fastest. If the rest of the European market and North America are added on, this accounts for 75 per cent of UK trade.

The structure of UK trade and the country's treaty obligations are major difficulties for those who argue in favour of protectionism, he said.

Certainly this sort of view is music to the ears of the EEC Commission and officials at the General Agreement on Tariffs and Trade (GATT).

The position of the EEC is that selective import controls are absolutely a last resort, and it is unlikely that any EEC member would be allowed to protect industry on a large scale while imports into other EEC countries remain free.

GATT fears that controls will provoke retaliation and that, if one leading country swung decisively towards protection, the international trading order would be catastrophically undermined.

And both GATT and ECC carefully note that the UK's problems are not unique. What is unique about the UK is low productivity and a highly valued currency.

And that brings the argument round full circle. As Mr. Smith put it, and Mr. Parkinson would no doubt agree, questions of increasing productivity and sustaining investment will not be tackled by imports policy or altering the terms of trade.

Mr. Parkinson was prepared to make a virtue of what many see as misfortune. Exports have not collapsed in the face of a strong pound and if more British exporters are forced to move up-market, then the strength of the pound could be a blessing in disguise.

New loan for HK transit

BY OUR WORLD TRADE STAFF

LAZARD BROTHERS has arranged a HK$36.7m (£7.5m) buyer credit, supported by the Export Credits Guarantee Department, (ECGD) for the Hong Kong Mass Transit Railway Corporation, to finance a contract awarded to a joint venture between Henry Boot of the UK and Gammon of Hong Kong.

Henry Boot will supply and instal railway track and Gammon will carry out foundation work on the Tsuen Wan extension and depot of the railway system, in which British companies have played a major part.

The funds are to be made available by Wardley and Hang Seng Bank of Hong Kong, and Wardley will act as manager and agent for the new loan. In association with Lazzards, Wardley is also arranging a loan of HK$78m for the portion of the contract which is now guaranteed by ECGD.

'Buy American' law attacked

By Victor Mackie in Ottawa

THE U.S. is inviting protectionist retaliation by Canada by failing to curb the increased number of States passing "buy American" laws, Mr. Peter Towe, the Canadian ambassador to Washington, has warned.

In an address to a Pittsburg audience, Mr. Towe said he is worried by a growth of protectionist pressures in both countries.

L'Oreal in China contract

BY TERRY DODSWORTH, IN PARIS

FRENCH industry's push into the Chinese market has taken an unexpected turn with a contract to L'Oreal, the cosmetics and pharmaceutical company, to open a beauty salon in Canton.

The salon, in the Hotel Tung Fang, will comprise a unisex hairdressing business, health care centre, sauna and perfume shop, all exclusively reserved for L'Oreal trade marks.

In explanation of this rather unusual breakthrough, L'Oreal commented: "There are women everywhere."

So far China has been the almost exclusive target of French heavy industry, but L'Oreal says the Chinese have let it be known that they are interested in the development of consumer goods in the fields of hair treatment, health and hygiene products.

Hong Kong seeking investment

By David Dodwell in Hong Kong

THE HONG KONG Government plans to post representatives abroad with a specific brief to encourage overseas companies to set up a manufacturing base in the Colony.

This marks a significant departure from the traditional economic growth strategy adopted by the Government—that of promoting trade as the primary catalyst for growth.

A senior official at the Department of Trade, Industry and Customs revealed plans to appoint permanent representatives to four areas—the U.S., Japan, Britain and the EEC—with a specific brief to encourage inward industrial investment.

Until now, the preoccupation with trade promotion has meant that a total of 20 trade development councils have been set up around the world. Staff in these councils, on top of their trade promotion work had an informal brief to promote inward investment, but it is now recognised that such an informal brief is no longer sufficient.

The growth strategies of Hong Kong and Singapore have been contrasted over the past two decades by Hong Kong's reliance on export promotion and Singapore's emphasis on attracting manufacturing investment.

This was natural at the time, in that Hong Kong already had a strong manufacturing base and was most concerned with finding markets for their output. Singapore did not have such an established base, and consequently put emphasis on creating one.

The new move shows that the Hong Kong authorites attach increasing importance to the need to upgrade the Colony's manufacturing base, attract new industries and diversify its economic activities.

Fokker sells jets to Bangladesh

By Charles Batchelor in Amsterdam

FOKKER has announced the sale of three F-27 and F-28 aircraft to airlines in the U.S. and Bangladesh. It has also reached agreement with a U.S. company which will maintain a spares distribution centre to meet expected demand there.

Fokker will deliver two 85-seat F-28 Mark 4000 fan jets to Bangladesh Biman, the national airline, in December, 1981, and April, 1982.

Mississippi Valley Airlines, a U.S. commuter carrier, has converted its option on one 50-seat F-27 Mark 500 turboprop into a firm order bringing its order book to four aircraft.

Fokker has signed a contract with E-Systems of Texas for the U.S. company to set up and maintain a spares stock and distribution centre.

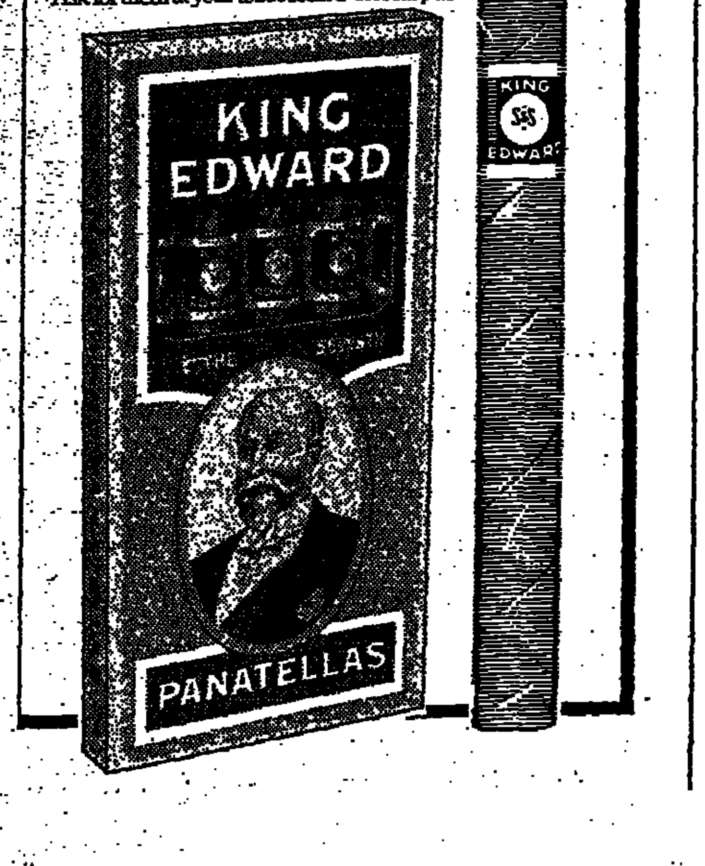
Fuel efficiency

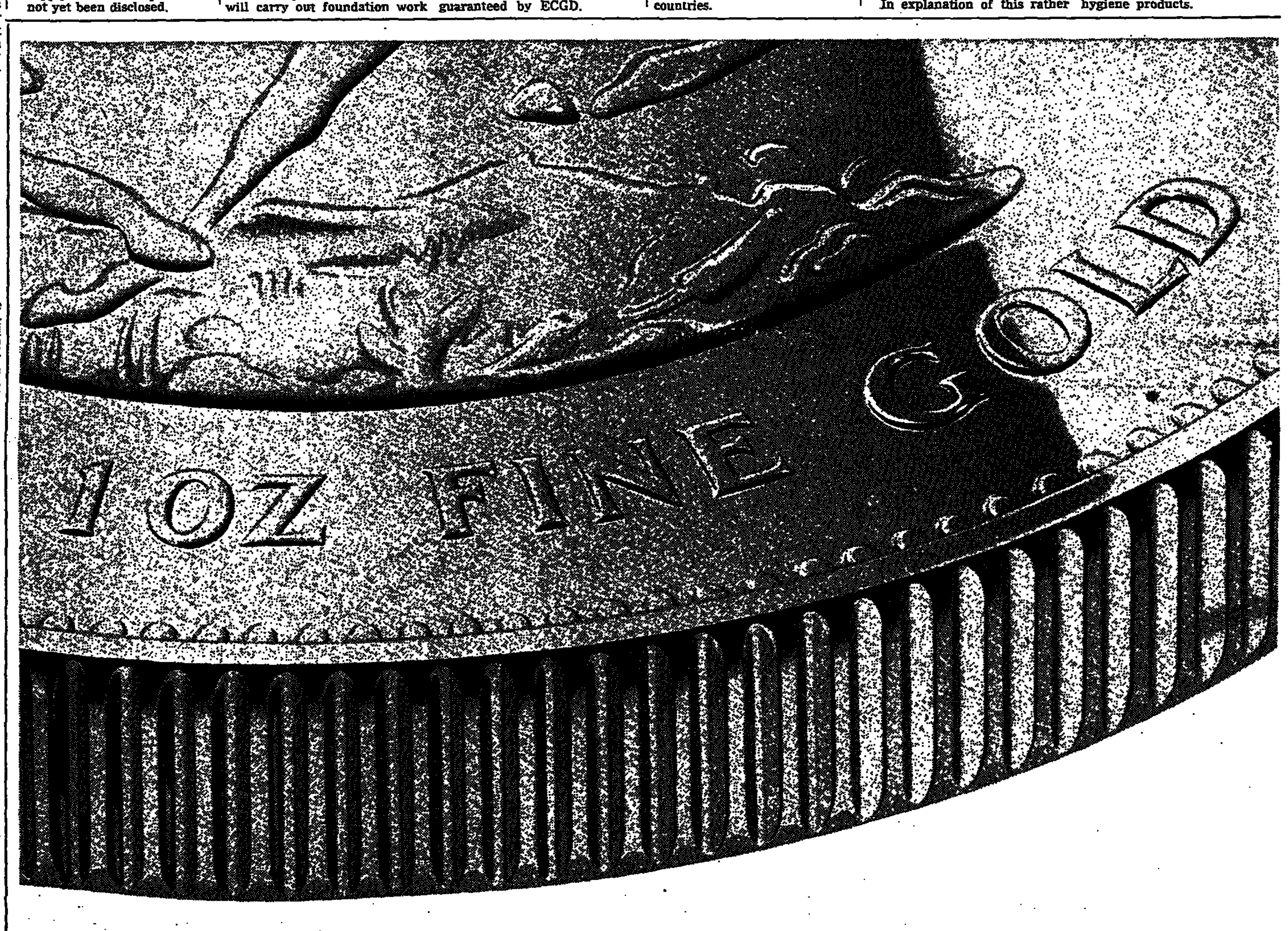
The Dutch group later plans to establish a network of resident field engineers at locations close to its customers. Five U.S. airlines have recently bought Fokker aircraft and several others have expressed strong interest.

● SAAB-Scania of Sweden and Fairchild Industries of the U.S., who are jointly developing a new 34-seat passenger commuter aircraft, have chosen General Electric to produce the power units, John Walker writes from Stockholm.

The GE engine will be the CT-7, a new technology, fuel efficient turboprop power plant providing the latest advantages in turboprop reliability. Consumption is about 5-15 per cent lower than that of competing engines evaluated.

The manufacture of the new aircraft will be shared by SAAB-Scania and Fairchild, with the wings and ancilliary equipment being built in the U.S. and the production of the fuselage and final assembly in Sweden.





ROUND OFF YOUR INVESTMENT PORTFOLIO WITH SOLID GOLD.

Consider the advantages of having part of your investments in the form of gold.

Apart from anything else it can be an excellent insurance against inflation.

Although in the short term its price can go down as well as up, historically gold, unlike money, has held its value.

It's international, and held as a reserve by virtually every country in the world.

So there's a lot to be said for owning a certain amount of gold.

The really bright way to buy it is in the form of beautiful gold coins called Krugerrands.

Each one contains exactly one troy ounce of pure gold.

And although you can now legally buy gold bullion, Krugerrands are still the best value because they're not subject to 15% VAT.

What's more, because they only carry a minimal premium over the gold price (usually between 5% and 8%) to cover minting and distribution costs, they are still the most economical way to buy gold.

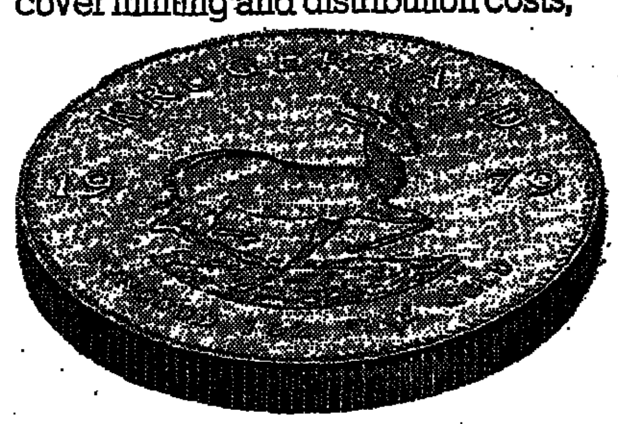
And you can buy as many of these beautiful gold bullion coins as you like. Most banks can supply Krugerrands and you simply pay with cash or a cheque. It's easy.

We'd hardly suggest that you give up all your other investments and buy Krugerrands.

But it might be a safe idea to make gold part of your portfolio.

As history has shown, in the long run it can do you a lot of good.

Go to your bank or ask your broker about buying Krugerrands.



KRUGERRAND
The world's best way to own gold

Chrysler cash injection likely next week

BY IAN HARGREAVES IN NEW YORK

CHRYSLER and the U.S. Treasury hope to complete detailed negotiations and documentation of the rescue programme for the ailing motor company next week.

The Treasury said yesterday that after consultations with Chrysler, it expected to be able to authorise the sale of the first $500m (£213m) of Government-backed loan notes next week, providing a rapid injection of cash into the company. On Wednesday, Chrysler announced that it had halted all payments to suppliers because of its rapidly dwindling cash reserves.

Apart from the volume of documentation involved, the Treasury still has to find a way of whipping into line the remaining banks which are refusing to participate in the $3.5bn rescue programme.

The U.S. Treasury said that it had now won agreement from two more of the rebel banks, but it would not say which. It may still have an uphill fight with some of the rebels.

The possibility remains that some way will be found of allowing the recalcitrants to escape from the deal, but the question has become such an emotive issue with other American and foreign banks who have agreed to go along with the deal that it is becoming increasingly difficult for the company or the Treasury to contemplate such a manouevre.

Kevin Done adds from Frankfurt: The Frankfurt-based Deutsche Genossenschaftsbank confirmed yesterday that it had used money, reported to total $8m, which had been paid into Chrysler's account at its New York branch, to pay off overdue loans it had previously made to the company. It dismissed allegations that it had "seized funds in transit to Chrysler," but admitted that it had taken action to liquidate Chrysler's debts to it.

The bank appears to be steadfastly resisting pressure to go along with the Chrysler rescue. If it is successful, other banks could insist on following.

Balanced U.S. budget 'economically impossible'

BY DAVID BUCHAN IN WASHINGTON

THE SLUMP in the U.S. economy is pushing the current federal budget deeper into the red and the prospect of balancing it in 1980-81 into the realms of economic impossibility, according to Administration officials

This recognition has come as Capitol Hill and the White House seemed likely to resolve their dispute over the budget's preliminary spending ceiling.

The House of Representatives was due to vote late yesterday on the amended budget plan, which provides for slightly higher domestic expenditure on welfare programmes for those hurt by the recession in the coming year, and a notional trimming of defence spending projections beyond 1981.

Security-conscious Senators refused to agree to pare the previously agreed $153.7bn figure for defence next year. If, however, enough liberals in the House accept the new package, the Administration, which had taken the House side in the budgetary argument, is expected to go along with the outcome.

Originally set at less than $30bn, the current budget will probably be in the red by $47bn, according to the latest Congressional projection. The chances of this being turned around next year are made even slimmer by the defeat last week by Congress of President Carter's plan for an oil import fee,

Venezuela reactivates oil company tax claims

By Kim Fuad in Caracas

THE VENEZUELAN Government is reactivating over $1bn in tax claims against more than 50 foreign oil companies following a decision to reject a proposed out-of-court settlement, Sr. Jose Ignacio Moreno Leon, deputy energy minister, said yesterday.

The decision to reactivate the claims, partially suspended since 1977, was based on a joint Energy and Finance Ministry commission's recommendations as well as the announcement by one of the companies, Pure Oil, that it recognised the claims and would pay them.

"We are disappointed that the Government has decided it is not interested in an out-of-court settlement," one major company spokesman said, "But it's their right."

The companies, headed by Exxon, Shell and Gulf, had earlier proposed a payment of $135m to settle claims totalling $400m, covering returns made between 1967 and 1975. At the same time, they rejected another $800m in claims lodged against them in 1976 by the Venezuelan Comptroller General, stemming from a controversial interpretation of Venezuelan tax laws.

Immediately at stake is over $375m, which forms part of a special fund the companies were forced to deposit with the Venezuelan Government to cover replacement or repair of the assets acquired by Venezuela in the compensated nationalisation of the oil industry in 1976, as well as pending commitments, such as the tax claims.

Dr. Moreno Leon said that the special fund would cover the normal tax claims but that the companies would be asked to put up additional financial guarantees to cover the Comptroller General's claims.

Late in 1979, the first of the Comptroller General's claims emerged from income tax courts, ordering American Petrofina to pay $20,000. When the company appealed before the Supreme Court, its appeal was thrown out on procedural irregularities.

THE WORLD BANK

First stop starvation; then tackle growth

BY DAVID TONGE

WHEN Mr. Robert McNamara took over as president in 1968, the World Bank group had a professional staff of 740 and each year was making loan commitments to $4-$5bn in today's money.

Since then the bank's staff has trebled and the value of its lending has more than doubled to $11bn. Borrowings now total $30bn, about $10bn of that kept in liquid funds. But the changes of Mr. McNamara's time are ones of quality as much as of quantity.

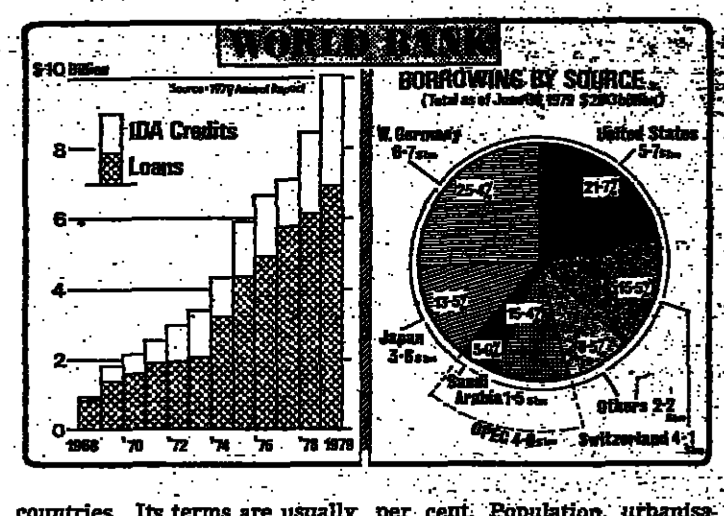
His presidency has combined style and missionary zeal and has changed the course of the bank. It has also seen the optimism of the early 1970s give way to the more sombre mood of the end of the decade. Hopes of eradicating the human degradation of "absolute poverty" by the end of the century have foundered. The mounting oil bills and balance of payments deficits of the Third World mean that the bank is having to run merely to stay in the same place. At the same time its critics, both in the U.S. Congress and the developing world, are becoming more vocal.

Founded in 1945, the World Bank first worked on reconstructing a war-ravaged world. The second phase of its history began in the early 1950s when, influenced by the experiences of India, it set out to help development by concentrating on large projects in the Third World. Large capital-intensive projects, such as roads and power stations, would lead to increased growth, it was thought, and the benefits would "trickle down" to the poor.

In 1973, Mr. McNamara started to move the bank in a new direction. In a speech in Nairobi he launched a crusade stressing rural development and a just division of the fruits of growth. "To make the small farmer into the instrument of progress—that would be the breakthrough of the century," he once said. Bank staff were beginning to learn not so much from India as from Pakistan.

There, political instability and the problems of distributing growth between regions and classes made it clear that growth by itself was not enough. Redistribution had to be assured. The bank started lending for population control and improving the environment.

Irrigation and the provision of seeds and fertilisers began to feature more prominently and two loans to Nigeria in 1974 totalled $40m and boosted the incomes of 600,000 people. Indonesia received a £6.3m credit for agricultural education from the International Development Association, the arm of the World Bank group which lends to the poorest countries. Its terms are usually 0.75 per cent over 50 years, compared with the World Bank's present 8.25 per cent over usually 20 years.



The IDA contributed $15m to a $40m population project in Bangladesh, and loans were made to improve sanitation, housing and schools in such cities as Jakarta and Manila.

The change shows up in recent figures. Over half the loan commitments by the Bank and the IDA in the five years 1967-71 were for ports, roads and power. Today, that share has fallen to under a third. The proportion of loans going to agriculture has doubled from 17 per cent. Population, urbanisation and water supply projects now account for over 7 per cent of commitments.

Within the bank, there were changes. In 1968, half the staff came from only two countries, Britain and the U.S., while the developing countries provided a mere 19 per cent.

Today these shares are more equal (36 and 33 per cent) even if the developing countries, particularly the Arab states, complain they are not well represented in senior posts.

But by 1976, some limits to the Nairobi approach had become clear. There were general problems caused by the quadrupling of oil prices two years earlier. But, staff were disturbed for two other reasons. "The first difficulty was the sheer extent of poverty and the second was the slow implementation of rural development projects aimed to help redistribute income and growth," says Mr. Shahid Javed Burki, division chief for policy planning.

A fourth phase has begun. The new thrust is that only when people's basic needs are met can they help free themselves from poverty and contribute to the growth of their country. Some of Mr. McNamara's closer advisers have argued that the bank should work directly with the poor to meet the basic needs of education, nutrition, health care, shelter and water. Mr. Burki stresses the links between these needs and they will feature in the World Development Report which the World Bank is to release in August.

This year the bank has extended its armoury by agreeing to increase loans for what it calls "structural adjustment." The aim is to help developing countries adjust to changes of the international economy, slower growth in the industrialised world, high rates of inflation and soaring energy prices.

Republican Party post the key to Reagan campaign

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

MR. RONALD REAGAN could this weekend give a clear indication of the direction of his Presidential campaign when he decides whether or not to retain Mr. Bill Brock as chairman of the Republican Party.

The two men are due to confer in Los Angeles this afternoon amid clear signs that several influential members of Mr. Reagan's conservative inner circle want Mr. Brock, who is popular with party moderates, replaced by somebody more in tune with the candidate's thinking.

But Mr. Brock shows no willingness to go quietly. He was quoted yesterday as declaring that "I am operating under the assumption that I have the governor's confidence." Indeed, Mr. Reagan's only recorded public statement on the issue last month was to the effect that he could see no reason why Mr. Brock should not continue in his post.

From a conventional political standpoint, it would appear sensible for Mr. Reagon to broaden the base of his appeal in advance of the general election campaign. In this respect both his choice of a running mate and the fate of Mr. Brock will demonstrate whether or not he wants to reach out beyond the conservative base which is his natural kingdom.

But many of his closest advisers, both his long time associates and some of the younger breed of conservatives who have run the campaign since the sacking of Mr. John Sears, the pragmatic manager, last February, are less willing to compromise on ideological matters.

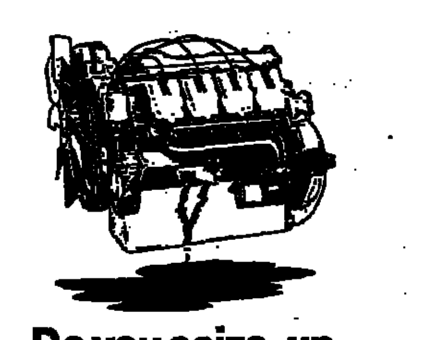
Their complaints against Mr. Brock are numerous: that he remained neutral in the primaries, that he would not devote party funds to help defeat the Panama Canal treaties, that he baulked over removing two other senior party officials thought to be too liberal, that he was too quick to hire as advisers friends of Mr. Sears after they were purged in February.

Mr. Brock's counter is that he is the servant of the Republican Party, not merely its Presidential nominee, and that the breadth of national political experience he can bring to bear, especially under new electoral rules, would be a valuable complement to the more limited electoral background of the Reagan staff.

In this respect, it might be recalled that one of the wiser decisions taken by then candidate Jimmy Carter in 1976 was to retain as Democratic Party chairman Mr. Robert Strauss.

Certainly, the Reagan campaign, which is still largely being managed out of Southern California, has shown signs of needing expert political tending. The most recent example of what could turn out to be a political error was Mr. Reagan's apparent assertion to the Egyptian Ambassador in Washington, Mr. Ashraf Ghorbal, that he might modify his hitherto staunch pro-Israeli attitudes. It was not so much what he may have said that caught the eye, but the fact that most of his senior staff had no idea that he had met Mr. Ghorbal.

If he persuades Mr. Brock to give up the chairmanship, then that might make it much harder for Senator Howard Baker to accept second spot on the ticket, if it is offered to him. Both Mr. Baker and Mr. Brock are from Tennessee and reasonably close personally and in beliefs.



Do you seize-up over aluminium prices?

Be prepared—follow the trends read the experts' forecasts in

FINANCIAL TIMES WORLD COMMODITY REPORT

a specialist weekly newsletter

For a sample copy and/or subscription details, write to:

The Subscription Dept. (WCR)
The Financial Times Business Information Ltd.
Minster House, Arthur Street,
London EC4R 9AX

ENERGY REVIEW: CANADA

BY LYNDON WATKINS IN HALIFAX

Tidal power in the Bay of Fundy

TECHNICAL ADVANCE, ever-rising oil prices and increased concerns about nuclear energy may yet cause the tidal power on Canada's east coast to be exploited. With financial support from the federal government, Nova Scotia is embarking on a tidal power demonstration project on the Bay of Fundy, the first physical step towards the commercial exploitation of one of North America's largest remaining potential water-power sites.

Though small in output, the 20 megawatt project will test a new straight-flow, rim turbogenerator which could cut billions of dollars from the cost of eventual, large-scale tidal developments. Moreover it could find widespread application in present and future inland river power schemes throughout the continent.

The Bay of Fundy, 125 miles of heavily sedimented waterway separating Nova Scotia from New Brunswick and the State of Maine, has 37 possible power development sites, ranging in size from 50 to 10,000 megawatts. In theory they could all be developed without interfering with each other.

With water depths of from 130 to 430 feet, many of the sites are beyond present exploitation. Others, on the many inner bays and river estuaries, are potential producers of hundreds of billions of kilowatt hours of renewable energy annually.

Development assessment

Produced by a tidal range of up to some 50 feet, this enormous resource has been recognised since 18th-century settlers used water mills to grind flour. Succeeding generations shared their interest but until very recently most agreed that commercial power exploitation was either technically or economically impractical. Some still hold that view.

However, in 1977 a review of an earlier federal-provincial development assessment concluded that two of three prime sites investigated were technically feasible and worthy of more detailed economic, environmental and sociological assessment. The follow-up work has not all been done. Despite eastern Canada's heavy reliance on imported oil to produce much of its electric power needs, the Fundy tides have rarely produced more than a lukewarm response in Ottawa. But last December then then Conservative federal government pledged C$25m (about £9m) towards the C$46m needed for the Nova Scotia demonstration project, North America's first, low-head, tidal power generator.

It will be built on the Annapolis Basin by Nova Scotia Tidal Power, using Swiss-designed equipment, manufactured in Montreal by a newly formed partnership of Sulzer Bros. of Canada and Dominion Bridge.

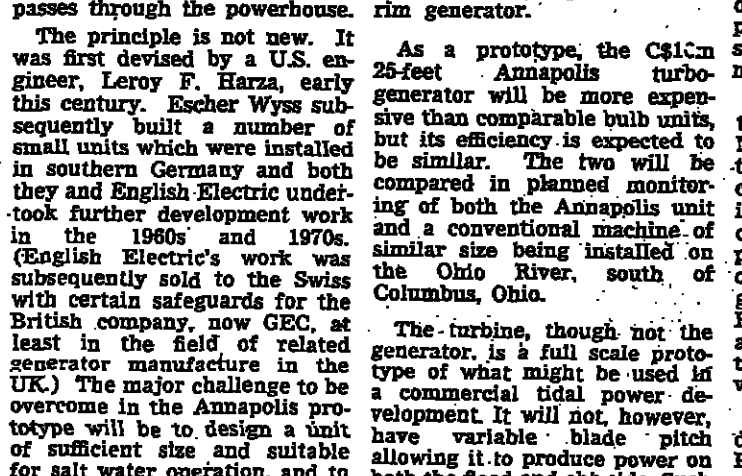
The project is not without its detractors. Environmental doomsdayers and economic sceptics abound. They say large-scale development of the energy resource could produce North America's most expensive power. They predict such dire consequences as marked changes in local weather patterns, the inundation of the power site by silt within 20 years, and even the flooding of Boston's Logan airport by a consequent rise in New England's tidal range.

But with Nova Scotia paying Canada's second highest power rates (an average of 4.29 Canadian cents a kilowatt hour) and spending C$2bn on new coal mines and thermal power stations to reduce its 70 per cent dependence on imported oil, the climate is better for tidal energy than it has been in years.

What is not at issue is that power can be produced from the tides. Both the La Rance plant near St. Malo in France and the smaller, Kislaya Guba experimental project near Murmansk have proved that. What the Annapolis Basin project hopes to do is to prove that it can be done more cheaply. A saving of perhaps 9 to 15 per cent of capital cost is hoped for from turbogenerator design.

The French and Soviet projects and low head river systems around the world mostly use the bulb-type generator unit. This usually involves the horizontal shaft connection of a turbine to a generator with both units housed in a single watertight sphere. Power is generated as water is directed through the exterior mounted turbine blades.

The rim turbogenerator has been developed since 1975 by Straflo, 52 per cent owned by Sulzer Bros.; other shareholders are N. M. Rothschild and a few smaller British holders. The rotor in this type of generator is mounted on the tips of the turbine blades. Water follows a relatively horizontal flow path through the intake, turbine and draft tube, in contrast to conventional vertical turbines where as many as three changes of direction take place as water passes through the powerhouse.



The principle is not new. It was first devised by a U.S. engineer, Leroy F. Harza, early this century. Escher Wyss subsequently built a number of small units which were installed in southern Germany and both they and English Electric undertook further development work in the 1960s and 1970s. (English Electric's work was subsequently sold to the Swiss with certain safeguards for the British company, now GEC, at least in the field of related generator manufacture in the UK.) The major challenge to be overcome in the Annapolis prototype will be to design a unit of sufficient size and suitable for salt water operation, and to prevent water passing from turbine to generator. A water pressure system of hydrostatic bearings and seals will be used, allowing a constant, accurate tolerance between rotating and fixed components in the machine and eliminating the need for a centre generator shaft in the turbine.

Cost-saving compactness

The main cost saving derives from the compactness of the unit which considerably reduces the dimensions of the power house, and the excavation and construction costs. In the case of the three Fundy sites regarded as most likely for initial commercial development, this could save between C$450m and C$1.5m.

The new Dominion Bridge-Sulzer partnership which will build the prototype at the former Dominion Bridge plant at Lachine on the outskirts of Montreal, is optimistic about future sales prospects for the rim generator.

As a prototype, the C$10m 25-feet Annapolis turbogenerator will be more expensive than comparable bulb units, but its efficiency is expected to be similar. The two will be compared in planned monitoring of both the Annapolis unit and a conventional machine of similar size being installed on the Ohio River, south of Columbus, Ohio.

The turbine, though not the generator, is a full scale prototype of what might be used in a commercial tidal power development. It will not, however, have variable blade pitch allowing it to produce power on both the flood and ebb tide. Such double effect capability would add only about 25 per cent to total output and most assessments of Fundy's tidal resources suggest this would not be worth the additional capital outlay.

Similarly, no attempt will be made to overcome the demonstration unit's reliance on the lunar cycle of the tides. The twice daily tides there rotate on a 24 hour 50 minute cycle. For power to be available at high load demands of the solar day, the morning and evening rush hours, some form of retiming would be necessary.

Several possibilities have been considered. Tidal power could be used to pump water up to a reservoir, releasing it to run downhill and drive another turbine to deliver electricity at peak hours. Another possibility is that tidal power could be used to compress air and store it, which would then be used in gas turbine driven generators. A third possibility is that tidal energy could be used to extract hydrogen from sea water by electrolysis, for subsequent use as a fuel.

None of these will be attempted in the Annapolis scheme. It will physically store water from the incoming tide, but the power producing discharge can only take place at low tide. Even so, Nova Scotia Power engineers, who will manage construction and operation of the tidal station, think they can make beneficial use of between 85 and 90 per cent of the power without retiming.

At some stage in the future, however, retiming seems likely to take place. Baron Edmond de Rothschild, a long time advocate of Fundy tidal development, has favoured the hydrogen option, suggesting that the fuel could be pipelined to U.S. markets or used, with the oxygen also derived from the process, for large locally situated industrial requirements.

With large investments in gas turbines, urban centres like New York could use off peak tidal produced electricity to compress air for subsequent use in gas turbine generators. This could substantially reduce oil purchases as up to two thirds of a gas turbine's fuel demand goes into compressing air. However, the simplest and probably the most economic retiming option is probably conventional pump stored water.

As Mr. David Nantes, president of the provincial Tidal Power Corporation says, "the virtue of tidal power is becoming much more obvious." He does not play down the obstacles it still faces. But he says Ottawa's commitment to the Annapolis project represents a significant advance. Two years after Annapolis comes on stream in mid-1983, he expects a final decision will be reached on full scale, Fundy development.

Earlier thinking suggested the smaller of the three target sites might be developed first, a 1,085 megawatt station costing about C$3.1bn 1990 dollars. However, with competing energy costs rising so steeply he thinks it is conceivable that one of the large sites, involving 3,800 megawatts and costing C$9.2bn 1990 dollars might be considered.

Preliminary discussions on power sales have been held with the Power Authority of the State of New York. With a 2 per cent annual load growth it has an annual requirement of 400 megawatts of additional power. So hungry has it become for additional sources of non-oil related power that it has considered developing conventional hydro sites with as little as 1 to 3 megawatts capacity.

Cost will obviously be a factor in determining the export potential of Fundy tidal power. By today's standards it seems expensive, more than that for currently available nuclear energy. But by 1983, Mr. Nantes thinks the Annapolis project will be supplying Nova Scotia with power at prices comparable with those of other new generator sources.

That would enhance the possibility of an early, commercial larger scale development, particularly if U.S. export sales were linked to some form of reduced interest rate financing. This possibility has been discussed, but only in the most hypothetical terms.

Environmental repercussions

However, the larger the site, the greater is the danger of adverse environmental repercussions. Test drilling in the bay has reduced fears that increased water velocities associated with power dam construction might undermine the sea bed, stirring up vast additional amounts of turbine clogging silt. But changes in tidal range continue to cause concern.

Some people have suggested the tidal range might be affected by three feet or more, although a federal study found that differences at most of the economically developable sites would be minimal. While a reduction in the height of the tides in the bay would reduce subsequent power generating capacity, the main problem lies in the rebound effect that this would have on other places along the Eastern Seaboard.

Low lying land in the U.S., including Boston Airport, might be flooded. A computerised tidal model has been developed and this is one of several areas of further tidal study that will be pursued as work on the Annapolis demonstration project gets under way this summer. At present it is believed that up to four major sites can be developed, without untoward effects.

For the many long-time advocates of tidal power who have "kept the faith" during the years of disfavour, Annapolis is a dream come true. For others, it is a nightmare unfolding.

COMPANY NOTICE

BANQUE EXTERIEURE D'ALGERIE

$US 25,000,000—8¾% 1972-1984

Holders of the above mentioned loan are hereby informed that the annual instalment of $US 2,500,000.- due August 1st, 1980 has been effected by bonds drawn by lot.

The drawing by lot took place on May 30th, 1980, in the presence of a notary public. The bonds remaining outstanding comprised between number 624 inclusive and number 4785 inclusive have been designated by lot and become redeemable at par on and after August 1st, 1980.

The principal amount of bonds outstanding after the amortisation of August 1st, 1980, will be $US 12,500,000.

BANQUE INTERNATIONALE A LUXEMBOURG
Société Anonyme
Trustee

Luxembourg, June 13th, 1980

BANQUE DE PARIS ET DES PAYS-BAS

Floating Rate Notes 1980 $U.S.25,000,000

The interest rate applicable to the above loan in respect of six months' period of 183 days commencing 11 June 1980 has been fixed at 9⅞% so that accordingly the interest payable in respect of such period (calculated on the basis of a year of 360 days for the actual number of days elapsed) will be made on 11 December 1980 at $U.S.50.19791 per coupon.

The Fiscal Agent
BANQUE DE PARIS ET DES PAYS-BAS
POUR LE GRAND-DUCHE DE LUXEMBOURG

Why can't anyone overtake the Cortina?

Many a car has challenged the Cortina.

Many a car has fallen by the wayside.

Why is it that no one can even approach its popularity, let alone overtake it?

It's a question of balance.

You might find one car that can match its speed, or another that can match its space, but when you look at the whole picture – fuel economy, service costs, parts, insurance, depreciation – no car is quite so completely satisfying.

That's the genius of the Cortina, and the engineers who designed it.

It's fast but it isn't thirsty.

It's economical to run, but it isn't dull to drive.

It handles well, but it doesn't have a hard uncomfortable ride.

As a piece of engineering it's perfectly balanced.

Who can keep up with it?

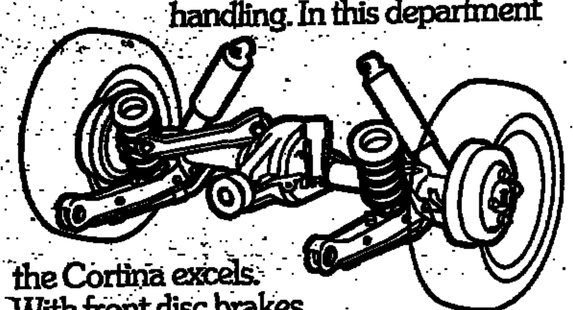
By no means *everyone*. The Cortina has more than enough acceleration to overtake quickly and decisively on country roads. And to cruise effortlessly at motorway speed limits.

	Max speed (mph)*	0–60 (secs)*
Cortina 1300 single venturi	87	16.1
Cortina 1600 single venturi	94	12.7
Cortina 1600 twin venturi	101	10.9
Cortina 2000 twin venturi	105	9.8
Cortina 2300 twin venturi	109	9.6

*Ford computed performance figures for manual transmission saloon.

Speed isn't everything

It's no use having a high top speed if it isn't balanced by safe, predictable handling. In this department



the Cortina excels.

With front disc brakes, heavy duty front anti-roll bar, and rear gas shock absorbers standard on all models. There's an optional 'S' pack to give sports car handling characteristics for the enthusiast.

Taking some of the labour out of servicing

Bulbs can be changed without tools.

Wheel bearings need no maintenance.

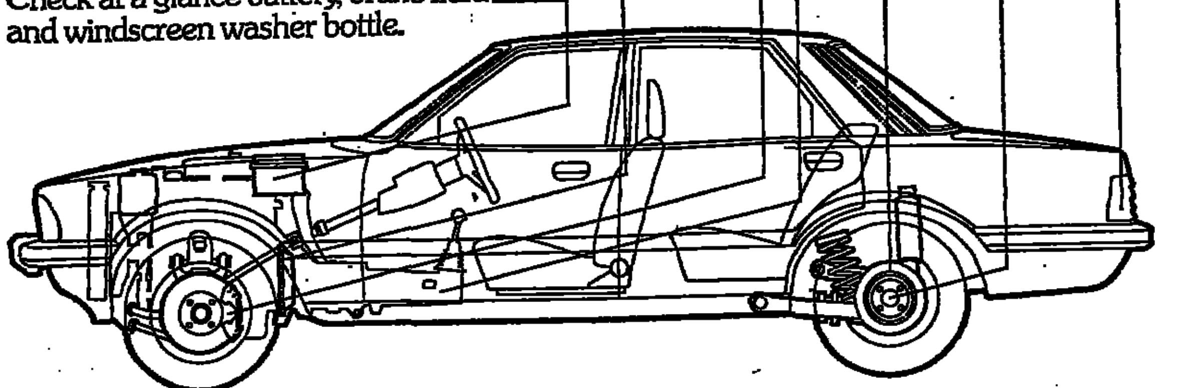
Brakes are self adjusting.

Axle and gear box oil doesn't need changing.

Brake wear can be checked without removing wheels.

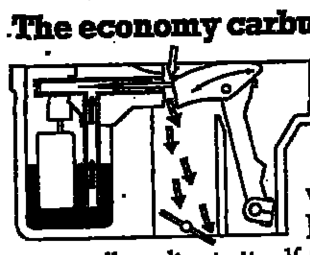
Clutch is self adjusting.

Check at a glance battery, brake fluid and windscreen washer bottle.



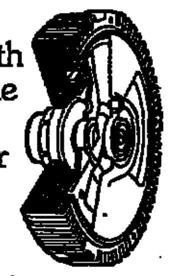
The Cortina only needs a full service once every 12,000 miles, with a minor service every 6,000 miles. Ford parts are moderately priced and the dealer network covers the country. How many cars of this size cost as little to keep on the road?

The economy carburettor



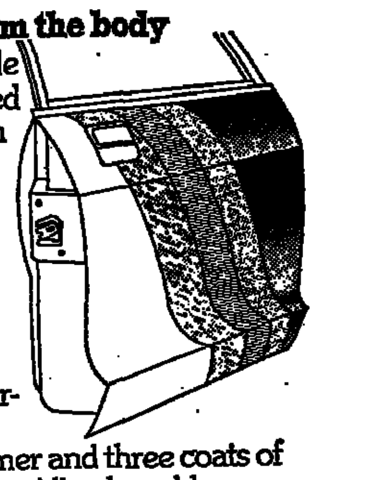
Ford have developed a new carburettor with a single variable venturi. In plain English, this automatically adjusts itself to provide the most economical fuel/air mixture whether you're stuck in traffic or cruising on the motorway.

The economy fan



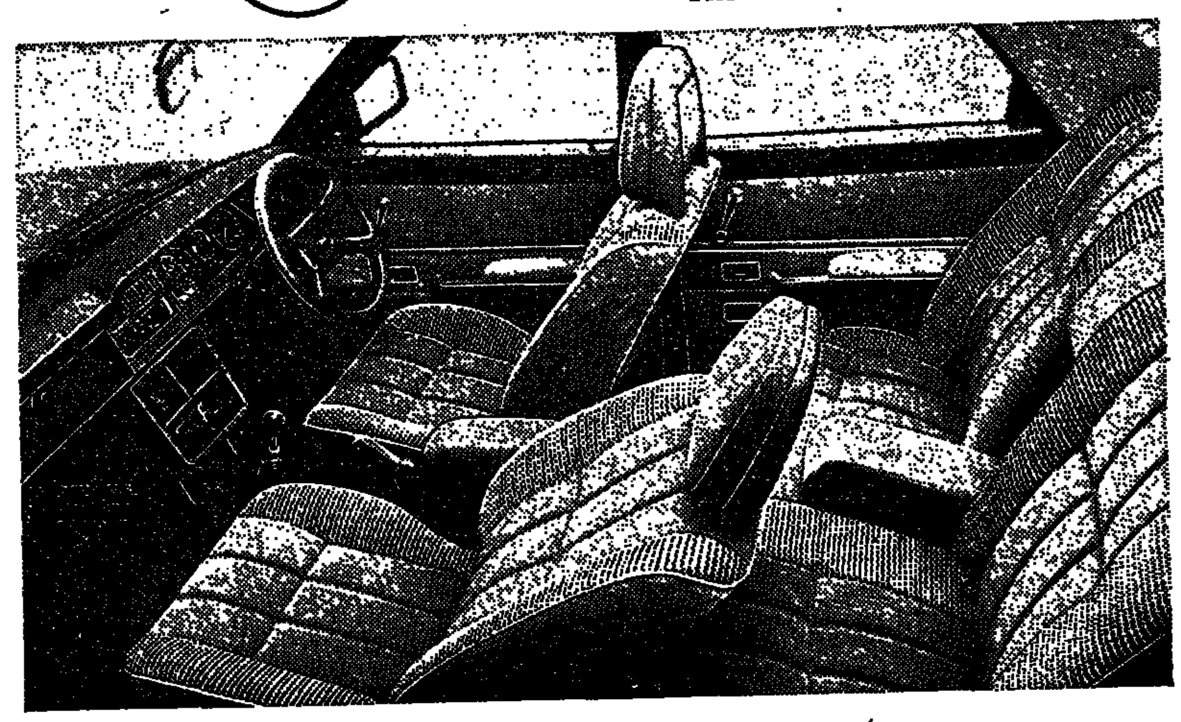
All Cortinas are fitted with viscous coupled fans. When the car is going fast and there is enough air to cool the radiator by itself, the fan disengages. As a fan can consume as much as 5 horse power, this saves petrol and improves performance. The fan also helps the car warm-up faster in the morning, because it doesn't cut in until the engine is hot.

Keeping rust from the body



First the whole body shell is washed in an alkali solution and coated with zinc phosphate. Then it's totally immersed in anti-corrosive paint, using an electro-coating process to ensure 100% coverage. Then it gets a further coat of primer and three coats of tough enamel paint. All vulnerable areas like box sections and the insides of the doors are injected with wax. The wheel arches and vulnerable underbody areas are treated with chip resistant PVC coating. And the rear silencer is aluminised.

The Cortina is built to last.

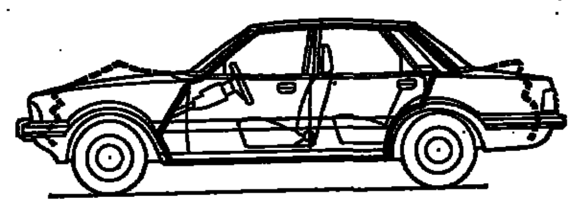


How many cars are this well equipped?

The specification of the Cortina Ghia includes: **1** Remote control door mirror. **2** Cut pile carpeting. **3** Rev. counter. **4** Cigar lighter. **5** 3-speed heater fan. **6** Illuminated heater controls. **7** Two speed wipers with intermittent wipe and electric wash. **8** Centre console with radio/stereo cassette and quartz clock. **9** See through head restraints with detachable cushions. **10** Durham/crushed velour seat fabric. **11** Front and rear seat arm rests. **12** Tinted glass. **13** Trip recorder.

Safety is built in

The Cortina protects you in a rigid steel cage, while the bonnet and boot are designed to crumple progressively and absorb the impact in the event of a collision.



Favourable terms

At last supply equals demand. So if you buy a new Cortina before the end of June, your Ford dealer is in a position to give you very favourable terms. Why not drop in and see him and get the full story.

Share in Ford's success

Range and prices. Cortina 1300 £3741. Cortina 1300 L £4080. Cortina 1600 LS £4737. Cortina 1600 GL £4933. Cortina 2000 GLS £5351. Cortina 1600 Ghia £5663. Cortina 2000 Ghia S £5902. Cortina 1600 Estate from £4530. The car illustrated is the Cortina Ghia. Maximum prices as at 2nd June, 1980. Seat belts, car tax and VAT included. Delivery and number plates at extra cost.

Leyland opens truck plant

By John Griffiths

LEYLAND VEHICLE'S £32m truck assembly plant at Leyland, Lancashire, was formally opened by Lord Scanlon yesterday.

It is part of a £350m investment programme by BL's truck and bus company. Since the start of this year it has been turning out the 38-40 tonne Roadtrain model of the new T45 truck range, on which the company is basing its hopes of a major market revival.

The plant will eventually be capable of building more than 400 heavy truck and bus chassis a week on a double shift.

It is being commissioned step by step. The next stage is to open a computerised components store within the next year.

More workers on short time

HOTPOINT'S washing machine and tumble drier factory at Llandudno, North Wales, which employs 1,800 is to go on a three-day week from Monday and short-time working is to be introduced at its small domestic appliance factory at Swinton.

Avalon Furniture is putting all its 600 Avon employees on short time.

Heating appliance manufacturers, T. I. Parkray and T. I. Glow-Worm, of Belper, Derbyshire, have started a four-day working week.

Asset stripping

INVESTMENT trusts are not a short-term invstment medium, Mr. John Storar, chairman of the Association of Investment Trust Companies said yesterday. "I have little simpathy with the shareholder who shortly after his purchase starts clamouring for liquidation or unitisation. This seems to me just another form of asset stripping."

Microchip talks

PLESSEY confirmed yesterday that it was negotiating with Mitel, the small Canadian telecommunications company, to acquire its advanced microchip technology ISO-CMDS. Production would begin in nine months.

£134m loss forecast by London Transport

BY LYNTON McLAIN

LONDON TRANSPORT has told the Greater London Council that it expects to lose about £134m in the year to December 1981.

As the world's largest public transport concern, LT is already rapidly losing passengers because of unacceptably high fares.

Members of the LT Executive think the predicted loss is unavoidable if inflation continues at its present high annual rate, if London Transport keeps its existing bus and train network and if the GLC refuses to increase its support.

Last year the GLC gave London Transport over £110m in grants—a quarter of LT's total revenue — and the leaders of the Council are becoming restive about the inability of the LT Executive to improve productivity, including introducing the one-operator buses which are almost standard practice elsewhere in Britain.

London Transport lost £31.4m last year and reduced this deficit to £15.7m only after using its entire reserves.

Carrying this forward, LT originally budgeted to break even at the end of this financial year, in December.

However, if agreed this month to pay its 23,000 tube drivers 20 per cent more, with only the prospect—but not the agreement—of increases in productivity paying for some of the award. This is expected to add £80m to LT's costs this year.

At least £3m in revenue has already been lost because of rising passenger resistance to higher fares and violence on the tubes and buses. With the £15.7m deficit carried forward, this brings the total extra costs for London Transport this year to £98.7m.

Recovery of steel output in May

By Maurice Samuelson

STEEL OUTPUT started to recover rapidly in May, the first full month after the ending of the 13-week national steel strike. But it was still far below what it might have been if the strike had been avoided.

Statistics issued jointly by the British Steel Corporation and the British Independent Steel Producers' Association (BISPA), give the May output as an average 353,200 tonnes a week. This is 42.9 per cent up on April but 19.3 per cent below the level for May, 1979. The strike ended on April 2.

With the private sector accounting for only about 55,000 tonnes, the increased output came mainly from the State-owned BSC.

The corporation yesterday expressed satisfaction at the speed of recovery, saying it was ahead of expectations. It said it would have been even higher without the TUC's Day of Action, which had had a bigger effect than expected. Output was also affected by the Spring Bank Holiday and technical difficulties at the No. 3 blast-furnace at BSC's Llanwern works.

The corporation added that the speed of its recovery was partly due to the need to meet orders delayed by the strike.

But BISPA said that while the private producers were relatively busy with deliveries, the outlook for new orders was still bad.

Commons report attacks EEC joint transport proposals

BY LYNTON McLAIN

PROPOSALS by the European Commission for a common transport policy for members of the EEC have been attacked in a report of a Commission select committee on transport as "vague and unclear."

The proposals, in a memorandum on "The rol eof the Community in the development of transport infrastructure," were published in November.

But Mr. Tom Bradley, Labour MP for Leicester East and chairman of the committee, said yesterday the proposals were "well-night impossible to understand." He said it was difficult to find out what the long-term effects would be for the EEC or Britain.

Transport was one of the four areas specifically defined in the Treaty of Rome as forming the "foundations of the Community."

However, Mr. Bradley said he was dismayed that the commission had failed to produce after nearly 20 years serious proposals for a co-ordinated transport network for the community.

Hous of Commons First Report from the Transport Committee session 1979-80 "The European Commission's Green Paper on Transport Infrastructure," HMSO £3.50.

Reshuffle among Treasury staff to take place

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A RESHUFFLE is to take place among some of the Treasury officials with day-to-day responsibility for public expenditure planning, nationalised industries and monetary policy.

The changes essentially involve an exchange of jobs among Treasury high-fliers — mainly under-secretaries in their early to mid-40s — following the reshuffle at the top of the department in January which has limited further promotions for the time being.

The moves have no immediate organisational or policy significance. But within the Treasury it is seen as interesting that Mr. Robin Butler, one of the most highly regarded officials, is to become establishment officer responsible for personnel, at a time when the staff numbers are being squeezed tightly.

Mr. Butler's responsibilities for public expenditure planning and control will be taken over by Mr. Michael Bridgeman, who has until now dealt with monetary policy, an increasingly important post in the Treasury.

This job will in turn be taken by Mr. Nicholas Monck, a former principal private secretary to the Chancellor responsible for dealing with nationalised industries' finance.

The final pieces in the jigsaw involve Mr. Tom Burgner, at present on secondment to the National Economic Development Office, and Mr. Peter Davies, the Chancellor's Press secretary and in charge of the Treasury's information division.

Mr. Burgner is to return to the Treasury to take over responsibility for nationalised industries and Mr. Davies is to be promoted to secretary of the National Economic Development Council and administrative director of the National Economic Development Office. No successor has yet been named to Mr. Davies, who has earned high respect in Fleet Street during his period as the Chancellor's Press Secretary.

Moratorium on building 'would be disastrous'

BY ANDREW TAYLOR

A MOVE to place a moratorium on new building by local authorities would be disastrous for a construction industry already reeling from successive cuts in Government expenditure, industry leaders said last night.

The National Federation of Building Trades Employers and the Federation of Civil Engineering contractors were commenting on a story in yesterday's Financial Times which said the Government was considering a moratorium as a means of keeping public spending within planned ceilings.

The civil engineers federation in a letter to Mrs. Margaret Thatcher, said such a move "would constitute a return to the stop-go panic methods of previous administrations."

The builders' federation said successive governments had sought to cut capital expenditure in essential social and economic infrastructure to "pay for their financial profligacy rather than face up to the issue of controlling current expenditure on manpower, overheads and administration."

Dresser Derby barytes deal

DRESSER MINERALS International Incorporated, is using barytes from worked-out lead mines at Ryder Point, near Wirksworth, Derbyshire, as drilling fluid or "mud," for North Sea oil drilling rigs. The material is being transported to Aberdeen by the American group under a two-year contract just awarded and worth £600,000. They use specially lined containers to carry the barytes by road and rail to Aberdeen.

No moves to punish brokers at Lloyd's

BY JOHN MOORE

LLOYD'S OF LONDON, the insurance market, has discontinued disciplinary proceedings against two former directors of the Brantnall Board insurance broking group.

Lloyd's has published its decision in a notice issued to the market, signed by Mr. Peter Green, Lloyd's chairman. The notice explains that disciplinary proceedings were started in July 1979 against Mr. Stanley Elsbury, a director of Brentnall Beard International and then chairman of Brantnall Beard (Holdings), and Mr. Derek Gravestock, managing director of Brantnall Beard International and a director of Brantnall Beard Limited. The proceedings started after a report by a special rota committee, organised by Lloyd's.

This studied the trading relationship of Brentnall Beard International with underwriting syndicate 762, formerly managed by Mr. Frederick Sasse and now facing losses of £20.2m.

Lloyd's said that disciplinary proceedings had been started against the two men under section 12 of Lloyd's Act of 1911. It had been alleged, said Lloyd's, that Mr. Elsbury and Mr. Gravestock were "guilty of acts or defaults discreditable" to them in connection with the business of insurance. Both failed, it had been alleged, to take any effective action or exercise any effective control in respect of the problems that developed in the U.S. and Canada connected with the Den-Har and D.W.I. binding authorities. The use of binding authorities allows outsiders to produce business for the Lloyd's market.

After representations by both men, and on the advice of Counsel, Lloyd's chairman and deputy chairman have concluded that the two directors were not guilty of "acts or defaults" discreditable to them "which would justify the committee" suspending them from carrying on business as members of Lloyd's. Proceedings have been discontinued.

Lloyd's said that "the chairman and deputy chairman (of Lloyd's) do consider nevertheless that "both men must bear some responsibility for the events that occurred."

High prices for old clarets at Christie's

BY EDMUND PENNING-ROWSELL AND ANTONY THORNCROFT

THE RANGE of old and rare clarets was exceptionally wide and the number of vintages represented unusually large in Christie's most important all-day wine sale of the season yesterday.

Rare single bottles fetched high prices. In brisk bidding most were bought by Americans. The top price was £3,300 for a single bottle of Lafite 1806, followed by £1,000 each for bottles of Mouton Rothschild 1853 and Lafite 1884.

Bottles of Lafite 1865 and 1868 made £680 and £400 respectively. An English buyer secured for £1,000 each two magnums of Lafite 1870 which in Christie's Glamis Castle sale in June 1971 were about £45 apiece.

Otherwise the old Lafites were mainly from a collection of Bordeaux and Romanée-Conti burgundies from the cellars of the Coq Hardi Restaurant, Bougival, near Paris, and 41 lots fetched £21,364.

A jeroboam (equal to six bottles) of that saleroom favourite Mouton Rothschild '29 made £2,800 and a double-magnum of the same Château '24 reached £560. Mouton Rothschild '45 went for £1,350 a dozen and Lafite '45 for £1,100, while Mouton Rothschild '49 rose to a record £1,200 a case.

The final draft of Gilbert White's The Natural History of Selborne is coming back to this country, to the Gilbert White Museum in the Hampshire village.

At Christie's yesterday the manuscript came under the hammer as part of the Arthur J. Houghton collection, and thanks to a campaign spearheaded by the museum, the villagers of Selborne, and Lord Selborne, a bid of £100,000 secured it. A further 11.5 per cent must be paid in buyer's premium and VAT.

Since the manuscript had been in the U.S. since the 1920s, the Government had no power to control its movement by export licence, and there was strong U.S. bidding to take it back across the Atlantic.

The final price was well above the £15,000-£20,000 pre-sale forecast, and stretched to the limit the financial resources of the museum, supplemented by hundreds of private donations, by Hampshire County Council, the Victoria and Albert Museum fund for the provinces, and the National Heritage Fund.

The Houghton collection, which covered all the main British writers between the 16th and 20th centuries, totalled £2,645,340.

Arthur Sandles reports on grounds for concern at the Europcar bid for Godfrey Davis, which the Trade Department has referred to the Monopolies Commission.

Keeping Godfrey Davis British

AT FIRST glance the Department of Trade's reference to the Monopolies' Commission of the proposed acquisition of the short term car rental business of Godfrey Davis by Renault-owned Europcar is just another example of trans-Channel sensitivities at work.

It may emerge that this is the case on second glance too. The British have certainly seen enough obstacles placed in the way of their own moves into French industry.

However, there are some firm grounds for UK alarm that its biggest car rental company — and the only one of the big three that is British-owned — is about to pass into foreign, albeit European, hands. Not the least of these concerns is that Europcar is a company owned by a car manufacturer and thus the special relationship which Godfrey Davis has enjoyed with Ford over the years could be in danger.

With more than 8,000 cars a year at stake there is good reason to worry that these might become predominantly Renaults rather than Dagenham-built vehicles.

It would, however, be naive to think that any such move would be made quickly, if at all. The car rental business is at the best of times highly competitive and works on very narrow margins—and these are not the best of times. One of the keys to a successful rental organisation is to have the sort of vehicles that people want to drive and which cause the least maintenance trouble. It is for this reason that the rental groups go for the simplest of vehicles and, for the moment at least, there is no doubt that these are Fords.

Fords, from Fiestas and Escorts to Capris and Granadas, all fit nicely into the car rental market. Basically they meet the two essentials of a car rental—the customers like them and they are easy to look after. Rental companies like cars where major parts, such as gearboxes, can be replaced quickly and relatively inexpensively. Every hour off the road is money lost.

Foreign-made cars—and UK-made BL minis with their transverse engines—normally get the thumbs down from rental companies because of the cost in time and money of keeping them on the road.

All the major rental companies in the UK offer Fords. Any company which deliberately switched fleet purchase policy for reasons other than that more attractive vehicles were available, would be making a very rash move.

Another aspect to this cost item in the rental business is the second-hand value of the vehicle. The car rental groups tend to build up their fleets in April and May and start to shed vehicles in September and October—although one of Godfrey Davis' market triumphs has been to somewhat iron out this bunching. The more a car can hold its value in those summer months the better it is for the rental company. Rental companies generally perceive a higher resale value for Fords than for most other vehicles.

As far as domination of the market goes, even if Europcar's British operation were merged with Godfrey Davis the combined total would still be a long way from any form of market domination. Godfrey Davis, Avis and Hertz between them probably hold less than a third of the total car rental market. A large slice of the business is still in the hands of local garages with comparatively small fleets.

Why then should Europcar be interested in the British market? Basically it is because success on a grand scale in the car rental business relies to a large extent on having an international image. Rental companies can survive, and even prosper, on purely local traffic, but the real jam on the car rental bread comes with the international business and leisure traveller.

The growth of Hertz, Avis and franchise organisations like Budget has been due not only to good management but also the international nature of the companies concerned. Europcar long ago decided that this American domination of the international market was a bad thing and has been expanding rapidly and aggressively. Its first steps in Britain in the mid-seventies were accompanied by the launching of a commission war in a bid to woo car rental bookings going through travel agents.

Europcar in the UK is still, nonetheless, somewhat smaller than the first division companies, and it is obviously eager to change this picture.

APPOINTMENTS

Financial Controller

c.£11,000+Car

A progressive long-established Company engaged in the manufacturing of building and construction materials seeks a Financial Controller. He/she will be located at the Head Office in London, S.W.1. Candidates should have sound industrial experience and be completely familiar with budgetary and financial controls. Experience of computerised accounts is essential. The age range is 35/50 and minimum qualification requirements are either A.C.A. or A.C.M.A. The Financial Controller reports directly to the Managing Director and is responsible for establishing guidelines for Site Accountants and the production of all essential financial information for the control of a capital-intensive Company with a sales turnover of approx. £50m. There is an excellent fringe benefit package and assistance will be given with relocation expenses.

Please write with full career details to Bill Rench, Laurie and Company, 19-23 Oxford Street, London W1R 2AR. Tel: 01-734 6111.

Applications, which may be from male or female candidates, will be treated in complete confidence and should quote reference 314/WJR.

International Recruitment Consultants LAURIE & COMPANY Established 1909

Houston Based Energy Firm Establishing London Office

H. F. Keplinger, President and Chief Executive Officer of Keplinger and Associates, Inc., will be in London the week of June 16th, for the purpose of establishing a London office.

Keplinger and Associates, Inc., is a prestigious International Energy Consulting firm which is headquartered in Houston, Texas, with offices in Tulsa, Okla.; Denver, Col.; Casper, Wyo.; Billings, Mont.; St. Martinville, La.; Dallas and Corpus Christi, Texas and Hong Kong.

Mr. Keplinger is interested in personally interviewing qualified engineers, geologists and geophysicists with 5 or more years experience.

Send your résumé in complete confidence to:

AMERICAN JURIDICAL SERVICES INC.
23 Albemarle Street
London W1X 3HA

For more information call: 01-491 2924

ADVANCES CONTROLLER

A group of finance companies involved in providing First Mortgages and in the Money and Commodity Markets is presently seeking the above.

The successful applicant will probably be aged 30+ and have had experience at assistant-manager level or higher. He/She must have had accounting experience up to trial balance.

c. £8,500 p.a.

Please write to:

The Managing Director, DUCHESS SECURITIES LTD., Omnia House, 140 Piccadilly, London W1.

DIVIDEND CLERK BOURNEMOUTH

Stockbrokers have vacancy for experienced person, preferably unmarried. Busy, friendly office. Bournemouth offers a wide range of sporting/cultural activities also facilities for further education if required.

Generous non-contributory Pension and Life Assurance Scheme.

Please submit details of past experience, age, salary required. Confidence assured.

Write Box A7198, Financial Times, 10 Cannon Street, EC4P 4BY.

LEGAL NOTICES

No. 001203 of 1980

In the HIGH COURT OF JUSTICE Chancery Division. In the Matter of SINGLO HOLDINGS LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 14th May 1980 presented to Her Majesty's High Court of Justice for (a) the sanctioning of a Scheme of Arrangement and (b) the confirmation of the reduction of the Capital of the above-named Company from £2,983,000 to £833,416 and the cancellation of the Share Premium Account of the said Company amounting to £1,171,869 in accordance with the terms of the said Scheme of Arrangement.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before The Honourable Mr. Justice Vinelott at the Royal Courts of Justice, Strand, London, WC2, on Monday the 23rd day of June 1980.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated the 11th day of June 1980.

NICHOLSON GRAHAM & JONES,
19/21 Moorgate,
London EC2R 6AU.
Solicitors for the said Company.

CONTRACTS AND TENDERS

Applications are invited by the GAMBIA PRODUCE MARKETING BOARD, a statutory body established in Banjul, the Republic of Gambia, from suitably qualified international contractors, to apply for pro-forma pre-qualification details in order that consideration may be given to the appointment of a main contractor in respect of extensions to the Board's Groundnut Processing Sector.

The contract works include a new boiler and steam turbine power generation plant and buildings, renovation of an existing wharf including dredging operations, and the provision of bulk storage, conveying and handling systems for groundnuts and derivatives.

Finance is being secured through assistance of the European Investment Bank and the African Development Fund.

International contractors responding to this invitation will receive a description of the works in sufficient detail to be able to evaluate their ability to undertake the works. Answers will also be required in detail to a questionnaire in support of such application.

Applications should be made by letter or by Telex to the Gambia Produce Marketing Company Limited, 30 Sydenham Road, Croydon CR0 2EF, Surrey. Telex No. 947448 to reach the Managing Director by the 4th July 1980.

COMPANY NOTICES

CHILEAN GOVERNMENT LONG TERM DEBT LAW No. 5962
CHILEAN GOVERNMENT 4½% BONDS 1893

Midland Bank Limited announce that the redemption instalment for the sinking fund of 1 July 1980 has been met by a drawing of bonds to the nominal value of £2,000.

The distinctive numbers of the bonds drawn in the presence of a Notary Public are as follows:—

Serial Numbers: £500 Bond
56

Serial Numbers: £100 Bonds

537	550	565	781	1395	1802
2564	3585	4064	4347	5002	5007
5019	5030	5039			

The above bonds payable on or after 1 July 1980 should be presented at the New Issue and Securities Department of Midland Bank Limited on the appropriate form and must bear all coupons subsequent to 1 July 1980, otherwise the amount of the missing coupons will be deducted from the principal moneys.

The usual interval of four clear days will be required for examination.

Midland Bank Limited,
New Issue and Securities Department,
Mariner House,
Pepys Street,
London EC3N 4DA.

BANK HANDLOWY W. WARSZAWIE S.A.

US$30 million Floating Rate 1976/81

The rate of interest applicable for the six months period beginning on June 12th, 1980 and set by the reference agent is 10⅛% annually.

COMPANY NOTICES

SVERIGES INVESTERINGSBANK AKTIEBOLAG
(Swedish Investment Bank Limited)

SDR 40,000,000 9% BONDS 1975/1982

NOTICE IS HEREBY GIVEN to Bondholders ... [illegible]

[illegible]

Luxembourg, June 13, 1980.

NIPPON ... [illegible]

[illegible]

June 13, 1980.

N.V. PHILIPS' GLOEILAMPENFABRIEKEN ... [illegible]

[illegible]

ADMINISTRATIE- EN TRUSTKANTOOR
Amsterdam, 13th June, 1980.

TRAVEL

SWISS CITY FLIGHTS
Leading specialists in flights to Switzerland from Gatwick.
6 weekly flights to Geneva
4 weekly flights to Zurich
Low season from £69 (Not incl fuel surcharges)
High season from £79
PLUS Departures to Basle, Berne & flights from Heathrow.
Falcon 01-351 2191
260 Fulham Road, SW10 9EZ

PUBLIC NOTICES

METROPOLITAN BOROUGH OF CALDERDALE
£1,400,000 bills issued on 11th June 1980 due 10th September 1980 at 15 61/64%. Total applications £11,200,000. Bills outstanding £2,400,000.

OXFORDSHIRE COUNTY COUNCIL
£12 million Bills issued 11th June 1980 due 10th September 1980. £5 million at 15 61/64%. £7 million at 15 31/32%. Applications totalled £87.5 million. Bills outstanding £12 million.

BERKSHIRE COUNTY COUNCIL BILLS. £10m due 11.9.80 issued 12.6.80. Average £96.05. £78m applications. £25m outstanding.

PERSONAL

LUXURY PRINCESS 32' Motor Yacht for Hire, business or pleasure purposes, self-drive or crew available if required. Based at Burnham on Crouch. For daily, weekend or weekly rates tel: 0621 784055.

EXHIBITIONS

THE PALLADIUM CELLARS Now Open ... [illegible]

هكذا من الأصل

Caledonian's engine plant wins first outside order

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE FIRST order from an outside customer has been won by *Caledonian Airmotive*, the engine refurbishing plant set up at Prestwick airport, Ayrshire, by British Caledonian Airways.

The £12m plant, *to be formally* opened by the Duke of Edinburgh next month, is designed to overhaul the *General Electric* CF6 engine, used in the DC-10 airliner.

Although its initial workload will be almost entirely for British Caledonian, the plant's ultimate viability depends on outside work.

Mr. Kelvin Kellaway, managing director, said yesterday that within three years the company hoped to be drawing three-quarters of its workload from other airlines.

Encouraging

This was essential since British Caledonian alone could not support the substantial investment necessary.

It was very encouraging to have secured an outside contract *from the Spanish charter company*, Spantax, within a few weeks of beginning operations, said *Mr. Kellaway*.

Some local MPs have said plant jobs could be jeopardised if British Caledonian lost its sole carrier status on the London to Hong Kong route. Two other airlines have lodged an appeal with Mr. John Nott, Trade Secretary, to be decided shortly.

Mr. Kellaway dismissed this fear. The plant had been planned before British Caledonian was awarded the Hong *Kong licence. The possible loss* of work—about 6 per cent of the total expected business—was easily within the business fluctuations forecast.

Essential

"British Caledonian has a genuine point about the effect on us of losing the sole licence, but it would in no way be *disastrous," he said.*

Prestwick, jointly funded by British Caledonian and the Scottish *Development Agency*, employs 80 people and is expected to employ 250 within three years.

It is said to be the most modern of its type in Europe. General Electric helped design the layout, supplied *specialist* tools and computer equipment and trained key personnel.

The U.S. company considers it essential for Europe to have engine servicing in Europe if it is to maintin its sales level.

The factory has laser and microprocessor-based inspection and measuring equipment, specially adapted machine tools and an X-ray scanner for testing welds to Civil Aviation Authority standards.

More hospitals needed as BUPA numbers rise

BY ERIC SHORT

A RECORD level of BUPA registrations has increased pressure on the *medical* insurance group's hospital building programme.

Sir Michael Milne-Watson, BUPA chairman, said yesterday that the number of subscribers had passed one million.

With family members included, the group now covers 2.5m people for private medical insurance, said Sir Michael.

But despite the hospital developments of the Nuffield Nursing Homes Trust and other independent hospital groups, Sir Michael said new private hospitals were needed to meet the increased demand.

Over 100,000 new subscribers had joined BUPA in 1979, he said.

BUPA's current hospital programme is to build association hospitals in selected strategic sites. Sir *Michael* said the programme had been in operation for a few years, commencing with the acquisition late in *1977* of the BUPA Manchester Hospital. This was now well on the way to being rebuilt as a modern 88-bed unit.

Last year BUPA bought the maternity hospital at Bushey, and had demolished the building to make way for a new 60-bed hospital.

BUPA established the Nuffield Nursing Home Trust in 1957 as a charity to build and operate private hospitals. It has provided strong financial assistance to the trust through donations and low interest loans. NNHT is now the largest private hospital chain in the UK with 30 hospitals operative at the end of *1979, providing* over 1,000 beds.

Sir Michael said BUPA would continue to foster the the growth of NNHT.

It had agree to defer further the re-payment of the first part of the loan outstanding in order *to facilitate the trust's continuing* development in the 1980s.

Synod firm on prayer book

THE CHURCH of England is to go ahead with publication of a modern prayer book in spite *of a poll* which suggested people prefer the traditional version.

The General Synod of the church said yesterday it believed more people wanted services updated than the poll indicated.

The new book, to be published on November 10, will be the first authorised and comprehensive alternative service book.

Tax change

THE GOVERNMENT has agreed to grant widows the full income tax allowance of £770 in the year of their husband's death irrespective of the month of bereavement. Until now a proportion has been allowed depending on the date of death.

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.

For advertising details please ring

Brian Kelaart

01-248 8000 Extn. 266

EEC plans £42m aid for Ulster farmers

By Our Belfast Correspondent

THE EUROPEAN Council of Agriculture Ministers is expected to ratify next week a Commission proposal to spend £42m on farming improvement in Northern Ireland.

The largest amount, £35m, will be for farmers in the province's less-favoured areas. A further £7m will go to the egg and poultry sectors.

The aid is expected to be matched pound for pound by the Government through the Northern Ireland Agriculture Department.

In the worst-off areas, the money will be used to reclaim land, provide agricultural roads and buy fertilisers.

Mr. Joseph Patton, president of the Ulster Farmers Union, said the scheme was a long-term one, designed to improve farm viability through capital investment.

A substantial proportion of this *investment would have to* be provided by the farmers. The scheme's success would depend on their enthusiasm for doing so in the present economic climate.

The £7m for eggs and poultry will mean that processing and marketing improvements to increase sales can go ahead.

Mr. John Hume, one of the province's three European MPs, has been campaigning for the funding for more than a year. He was confident the Agriculture Ministers would agree to the scheme, after approving similar proposals for other regions, including the west of Ireland.

Gas 'is still cheaper in the home'

Financial Times Reporter

GAS WAS still cheaper than other domestic heating fuels and would maintain its competitive *edge far into the future*, Sir Denis Rooke, the chairman of British Gas, said yesterday.

He said recent reporting of fuel price rises in percentage terms might have led people to believe the price of gas now approached, or even exceeded, *that of electricity or other* fuels.

But latest British Gas figures showed central heating for the average three-bedroom semi would cost £340 a year using oil, £320 using electricity and £190 using gas.

While the retail price index had risen 240 per cent from 1970 to February 1980, the gas index had risen only 161 per cent. In 1965 the housewife could buy two therms of gas for the price of a pound of butter. In the last financial year British Gas had been supplying to the domestic customer more than four therms of gas for the price that would have been paid recently for a pound of butter.

Electricity information criticised

By Martin Dickson, Energy Correspondent

INFORMATION published by the electricity supply industry is "less than adequate" to demonstrate that it is operating efficiently, according to the Electricity Consumers' Council.

The council, a Government-backed watchdog, called today for the industry to publish a broader range of performance indicators, "designed to be used by Government or Parliament or by consumers to assess how well the industry is meeting their needs and requirements."

Subjects covered by the indicators would include the reliability *of energy supply*, consumer attitudes to the industry, the efficiency of power *stations and delays* in power station construction.

The council noted that the sector had a turnover of more than £5bn in 1978-79 and said "a monopoly industry of this size and importance should not only be efficient but be seen to be efficient."

Cancer unit for university

THE Cancer Research Campaign has granted £1.25m to establish an experimental cancer chemotherapy unit at Aston University's pharmacy department.

It will allow consolidation and development of research, including the strengthening of links with West Midlands cancer clinics and expansion of projects with *researchers* overseas. Initially, the grant will cover five years.

A good start to a productive day!

Good working conditions are a big *factor in improving* industrial relations and productivity.

And providing facilities to safeguard employee's personal belongings are a big move in *the right* direction.

That's why so many companies install Helmsman Lockers.

So make this a productive day for you.

Write or phone for more *information* about Helmsman Lockers to:

Dept. WB9

W. B. Bawn Ltd.

Northern Way
Industrial Estate,
Bury St. Edmunds,
Suffolk.
Tel: (0284) 2812
Telex: 817359

Weapon developments 'increase war risk'

BY DAVID FISHLOCK, SCIENCE EDITOR

THE GLOBAL stockpile of nuclear weapons exceeds 60,000, according to the latest annual report on the world's weapons from SIPRI, the Stockholm International Peace Research Institute.

New types of nuclear weapons are being developed which "by their very characteristics *may increase* the probability of a nuclear world war," according to the institute. In particular, very accurate and reliable ballistic missiles are being developed, "more suitable for fighting a nuclear war than deterring it."

The report says a comprehensive nuclear test ban treaty *could* put *a stop to* most of the qualitative developments in nuclear warhead design. Such a treaty would have to be "permanent and multilateral," with all *parties participating in its* verification.

Lack of reliable verification, which has been a stumbling-block in negotiat*ing* such a treaty, "can no longer reasonably be said to be an obstacle."

But the report acknowledges doubts about one reported "nuclear explosion" in the atmosphere over a remote area of the Indian Ocean last September. One of three U.S. satellites which monitor nuclear explosions in the *atmosphere and in outer* space detected what was apparently a small nuclear explosion, equivalent to 2-4 kilotonnes of TNT, from a height of about 60,000 kms.

Another 53 *nuclear explo*sions were recorded by the Stockholm International Peace Research Institute last year, bringing the total since 1945 to 1,221—about one a week on average. Last year, the USSR conducted 28 nuclear *tests, the U.S.* 15, *France* nine and Britain one.

Britain's nuclear test, made in the U.S., was of Chevaline, its new warhead for Polaris submarine missiles.

World Armaments and Disarmament. Taylor and Francis, 10-14, Macklin Street, London WC2B 5NF. £19.

Executive's shares claim dismissed

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A £241,844 CLAIM against H.C. Holdings and the former chairman of the Harrison Cowley advertising agency group was dismissed in the High Court yesterday.

The claim was made by a former chief executive in the group, Mr. Raymond Rayner, who contended that he had been denied the chance to buy the same number of shares in H.C. Holdings as other group chief executives.

His claim represented the net resale value of the shares Mr. Rayner said he had been contractually entitled to buy, but of which he had been deprived.

Mr. Justice Bingham said in the Commercial Court that in early 1978, after changing hands several times, the Harrison Cowley companies were acquired by St. Regis International, the UK subsidiary of the St. Regis Paper Company of New York.

Those running the Harrison Cowley companies—and particularly the group chairman, Mr. David Harrison—wished to regain control. As a result, the three main companies in *the group* were *bought* for £685,000 by a consortium of Mr. Harrison and his colleagues.

The 100,000 HC Holdings shares were bought at £3.20 each. Mr. Rayner bought 1,000 and three other chief executives in the group 11,300 each. Mr. Rayner *later* resold his shares for £26.68 each, making a handsome profit, said the judge.

The sum claimed by Mr. Rayner was the difference between the resale value of his 1,000 shares and that of the 11,300 shares of each of his three colleagues.

'Banking cartel put pressure on brokers'

BY IAN RODGER

MR. ALASTAIR MACINTYRE, who joined Tullett and Riley (Financial Services) as a director last December to develop foreign exchange and currency deposit busines with industrial companies, resigned on *Monday*.

This is the first sign of tension between foreign exchange brokers and clearing banks over recently relaxed dealing rules.

Mr. Macintyre alleged that "strong representations from senior clearing bankers" *to* Tullett and Riley, to the effect that the company would lose the banks' custom if it decided to deal directly with industrial companies, caused him to resign.

He complained that what he *called "the cartel of the* clearers" considered the industrial and commercial customer as their "special prerogative" and that the banks felt the foreign exchange brokers" should leave well enough alone."

Mr. D. H. Riley, managing director of Tullett and Riley, *said that* Mr. McIntyre's resignation "has absolutely nothing to do with the banks, the commercials or anyone else." He added that Mr. Mcintyre's decision to leave was "entirely his own" but refused to suggest other reasons.

Mr. Riley said the company's relationships with the banks was good "although we do not *always see eye to eye.*" He said the company had postponed its plans for handling foreign exchange *transactions for indus*trial companies because of the cost of developing the business.

"And why go into an area just to spite someone [the banks]? We are doing fine as things are."

Tensions between the clearing *banks and foreign exchange* brokers were predicted last December when new dealing rules, agreed with the Bank of England, were announced.

Under the new rules, which came into effect in January, banks are allowed to deal directly with each other on foreign exchange transactions. Formerly, they were obliged to deal through brokers.

For their part, brokers were freed to compete directly with banks in handling the needs of companies ("commercial names") for foreign exchange and for placing short-term *foreign currency* deposits. The broking community was also relieved of the obligation to provide at least two market makers in all currencies traded.

So far, the banks have proceeded with direct foreign exchange dealings among themselves but the brokers have yet to attempt any significant dealings with commercial names.

The brokers say foreign exchange markets have been so active all year that their business has improved despite the banks' direct dealings. Moreover, they have not had time to attempt to develop direct business with commercial names.

Consignments for the High Street?

The Direct Bag Service–a money-and-effort saving parcels service.

If you supply High Street stores or send consignments to one address, you should consider the Royal Mail's Direct Bag service.

This is how it works.

You fill a bag–or bags–with goods. They can be any size within the capacity of the bag and up to a total of 22.5 kg in weight. Then you seal the bag, address and attach a special label–and away go your goods.

You need only package for protective purposes. There's no need to address individually. No need to frank them. And there's less chance of split delivery.

The price? That's competitive–based on volume and distribution patterns. You can expect to save money–time and effort, too.

Direct Bag–one of an unrivalled range of services that makes Royal Mail Parcels the biggest and most flexible parcels service in Britain.

If you regularly send local, regional, national or international parcels, you'll get a better deal from the Royal Mail.

For full details, return the coupon–Now. Or dial your operator and ask for FREEFONE 2325.

To: Jackie Willbourne, FREEPOST,* Room 434, Postal Headquarters, St. Martin's-le-Grand, LONDON EC1B 1HQ *You don't need a stamp.

Please ask one of your marketing team to contact me ☐

Please send me more information about the Direct Bag Service ☐

Please send me more information about Royal Mail parcel services ☐

Name ______ Position ______

Company ______

Address ______

Postcode ______ Tel. No. ______

K/FT/9/6

Royal Mail Parcels

'We mean business'

BUSINESS FOR SALE

JEWELLERY COMPANY

Company with modernised premises in Holborn area
Substantial profits and reserves
For sale as a going concern as Directors retiring

£1,100,000

Phone for details 01-404 5771

FOR SALE

AS A GOING CONCERN
THE BUSINESS OF
AN ABERDEEN-BASED COMPANY

Comprising: Glassfibre (GRP) manufacture; construction; lightweight structures; electrical contractors; food processing engineers; marine navigational aids; boat centre; road transport.

Offers for individual activities may also be considered.

For further information, telephone
ABERDEEN (0224) 20331

BOOK BINDERY - PRINT FINISHERS FOR SALE

Located south of England in 10,000 sq ft of low rental, leasehold premises, the modern plant consists of case, perfect and saddle lines with storage facilities and large vehicle access.
Excellent staff relations are enjoyed and the present turnover of £200,000 plus is capable of increase with present plant and staff of 20.
Current binding contracts are available for transfer with the business.

As a going concern £50,000
+ SAV

Principals only please in strictest confidence to Box G6058, Financial Times, 10 Cannon Street, EC4P 4BY.

FURNITURE MANUFACTURING BUSINESS FOR SALE

For sale as a going concern. Long established and highly respected business in Glasgow. The activities comprise the design and manufacture of modern lounge suites. 125,000 sq ft of manufacturing and office space in approximately 5 acres (freehold). Excellent office block and showroom. There is easy access to all motorways.

For further details write to:
COOPERS & LYBRAND C.A.
126 George Street, Edinburgh, or telephone 031-226 2595.

OFFERS INVITED:

READING AREA	— very profitable well-established private Limited Company
SUPPLYING	— Medical, Pharmaceutical and Micro-electronics Industries
MANUFACTURING	— capital goods in wood, plastic and metal
TURNOVER	— 15 months to March 31, 1980, £680,000 incl. Export
NETT PROFIT	— £185,000 before Tax and Directors' payments
PREMISES	— 7,000 sq. ft. leasehold if required
ACCOUNTS AVAILABLE	— write completely confidentially to:

The Chairman, c/o Brading Barber, 12, Market Place, Devizes, Wilts.

WHOLESALE FRUIT AND VEGETABLE COMPANY FOR SALE

PROFITABLE BUSINESS — TURNOVER £2M PLUS

Old-established Company with approximately 60 staff and modern vehicle fleet and occupying spacious leasehold premises in prime position in fast expanding South Coast town. Sale required due to management retirement in near future. Principals only reply to:
Box G6068, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE IN N. W. ENGLAND

Commercial vehicle sales and service organisation with very busy retail workshops. £3.5m turnover to year ended February 1980. Main dealership with established Continental Commercial Vehicle Manufacturer.
Write Box G6073, Financial Times, 10 Cannon Street, EC4P 4BY.

ABATTOIR FOR SALE

For Sale—A modern and fully equipped abbattoir situated in a busy Scottish market town. Offers in excess of £80,000.
For further details please apply in writing only to:
J. A. LOVE & SIMPSON
Chartered Accountants,
20 Park Circus, Glasgow G2 6BE.

FOR SALE

Majority Shareholding in a W. German Engineering Company. Mainly modern Factory and Office Buildings situated in the Ruhr, are close to Arterial Highways and the site of 5,300 squ.m. is suitable for further development. The successful company is presently designing, manufacturing and selling vibratory appliances for feeding, conveying, etc., fully automatic batching and weighing plant as well as Electronic/Micro Processor Control Units. Present sales of ca. DM 6m achieved by staff of 55.
Highly Techn. qualified and energetic management as well as Sales Executives wishing to continue their service with company.
detailed Report/Evaluation of Company prepared by independent Business Consultants of high repute, available. For further information, in strictest confidence, please apply in writing to BRITROPA Expert Services, 80 Woodthorpe Drive, Nottingham NG5 4GZ.

New York City Elevator Company FOR SALE

Growing Company with 1,600 elevators currently under service contract. Sales in excess of $3m. Continuous growth since 1973 and offers a solid foundation for a multinational to grow from. Shows 30% gross profit.
Write Box G6064, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE

Kitchen Furniture Shop in large developing town in Wiltshire. Close M4, 1¼ hours London. At present run as a family business, now retiring. Good central showroom/warehouse. Turnover expected this year £80,000. Asking price £22,000 including showroom displays.
Principals only please write Box G6075, Financial Times, 10 Cannon Street, EC4P 4BY.

COMPANY FOR SALE

Are you about to buy a business? Have you considered advertising under the Businesses Wanted heading? It works because businessmen read this page. To reserve your space next Friday
phone Diane Steward 01-248 5284

PACKAGING DISTRIBUTOR

Public Group has London-based specialist packaging distributor subsidiary which, although profitable, does not fit in with the long-term corporate identity of the group. Turnover £1m p.a., profits £50,000 p.a. Interest principals only please write to:
Box G6069, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE

HAULAGE CONTRACTOR
SOUTH WALES

Net assets c. £90,000.
Turnover c. £300,000.
Principals only please reply to:
Box G6044, Financial Times, 10 Cannon Street, EC4P 4BY

SHORT-RUN PERIODICAL PRINTERS

with turnover of £1.2m for sale as a going concern.
Write Box G6072, Financial Times, 10 Cannon Street, EC4P 4BY.

RETAIL HI-FI

The owner of seven retail hi-fi/video outlets in London and the Home Counties wishes to enter negotiations for their sale. Turnover and profits approximately £2m and £200,000 respectively. Principals only—no intermediaries.
Write Box G6071, Financial Times, 10 Cannon Street, EC4P 4BY.

IATA/ABTA AGENCY FOR SALE IN NW LONDON

T/O £1.5M
Offers invited.
Please apply, principals only, to Box G6013, Financial Times, 10 Cannon Street, EC4P 4BY.

PUBLISHING COMPANY

for sale with established controlled circulation. Publications producing £260,000 p.a. in advertising revenue, this being only two-thirds of potential. Immediate repeat business available totalling approx. £200,000. Ideal takeover for existing company. Only principals will be acknowledged. Price £200,000.
Write Box G5877, Financial Times, 10 Cannon Street, EC4P 4BY.

TRADE PRINTING FINISHING BUSINESS FOR SALE

Well equipped plant and excellent freehold premises of 20,000 sq ft.
Price £325,000
Write Box G6066, Financial Times, 10 Cannon Street, EC4P 4BY.

ABERDEEN ENGINEERING BUSINESS

specialising in jobbing and repetitive machining available for sale or joint venture to facilitate expansion and development.
Write Box G6057, Financial Times, 10 Cannon Street, EC4P 4BY.

EXCEPTIONAL BUSINESS OPPORTUNITY. Offered for sale a profitable expanding storage/handling equipment Company well established in the West Midland region. Prestige premises in ideal situation for distribution. Write for further details Box G.6060, Financial Times, 10, Cannon Street, EC4P 4BY.

RENAULT DISTRIBUTORS

SOUTH-EAST ENGLAND

Turnover £2m. Opportunity to purchase rapidly expanding business arises on retirement of chairman.
Write for full details to Box G6065, Financial Times, 10 Cannon Street, EC4P 4BY.

FRENCH VINEYARD GAILLAC A.O.C.

Listed XVI/XVIIc Chateau
16 ha Vines, 30 ha Arable, 20 ha Wood; 2,000 hl Storage, plus all equipment.
£260,000 o.n.o. for quick sale.
Write Box G6059, Financial Times, 10 Cannon Street, EC4P 4BY.

HOTELS AND LICENSED PREMISES

PRIME MIDLANDS LUXURY LICENSED FREEHOLD RESTAURANT

In an enviable location overlooking the Derwent Valley, on the outskirts of DERBY. Long established and presently operated under management, turnover £260,000 p.a. Spacious Restaurant to seat 120 with excellent furnishings, Kitchens & Staff accom. Accounts available following recommended inspection.
Offered Freehold & Complete at £215,000 plus S.A.V.
By Appointment: D. BRIGGS, CHRISTIE & CO.
32 Baker Street, London, W.1. Tel: 01-486 4231.

Luxton & Lowe Ltd

Specialist Agents in the SALE & PURCHASE OF HOTELS/CATERING & NURSING REST HOMES

Urgently require sound businesses of all types to meet steady demand.
Business Chambers
98a Burlington Road, New Malden, Surrey - 01-949 5451 - PBX

TRAVEL AGENCY FOR SALE

Progressive, well connected, Travel Agency Business for sale. Current turnover is in excess of £250,000 and increasing rapidly. The company employs experienced and qualified staff with proven track record. Price required £40,000.
Principals only to apply for further details to Box G6015, Financial Times, 10 Cannon Street, EC4P 4BY.

PENZANCE, CORNWALL

THE INTERNATIONALLY FAMOUS ADMIRAL BENBOW INN
A Period Free House of 16th Century origins with a wealth of marine artefacts. Two Restaurants with 94 covers, 3 Bars, Manager's Flat, together with
THE BERKELEY ZERO CLUB AND RESTAURANT
and separate Staff Cottage.
Turnover in excess of £210,000 with substantial profit margin.
FOR SALE FREEHOLD AS A GOING CONCERN. OFFERS INVITED ON £250,000
Joint Sole Agents:
HARRODS ESTATE OFFICES, Knightsbridge, London, SW1X 7XL. Tel. 01-589 1490.
MAY, WHETTER & GROSE, St. Austell, Cornwall. Tel. (0726) 3501.

FOR SALE

SMALL ENGINEERING CO.

situated in Douglas, Isle of Man. Freehold. 14 machines. Engaged in toolmaking and production. Suit company with excess orders. Considerable tax advantages. Price £50,000.
Tel: 0624-5557.

GROUP RETAIL JEWELLERS

Turnover in excess of £400,000. Ample scope for improvement. All units staffed.
Write Box G6012, Financial Times, 10 Cannon Street, EC4P 4BY.

Private Limited ENGINEERING COMPANY

in the Hydraulic Field

with turnover in excess of £1m situated in the West Midlands, for sale due to pending retirement of Directors.
Write Box G6079, Financial Times, 10 Cannon Street, EC4P 4BY.

FOR SALE GREETINGS CARD PUBLISHERS

West Midlands
Turnover £200,000
Write Box G6001, Financial Times, 10 Cannon Street, EC4P 4BY.

RESTAURANT FOR SALE. Situated Peak district of Derbyshire. 60 covers plus 20 coffee room. Fully licensed. Attached to beautiful 3 bedroomed house. Apply Mr. Hague. £70,000. Phone Sheffield (0742) 26171.

BUSINESSES FOR SALE/WANTED Appears every Friday. Contact: Diane Steward 01-248 5284.

BUSINESSES WANTED

COMPANY WANTED

Are you about to sell a business? Have you considered advertising under the Businesses For Sale heading? It works because businessmen read this page. To reserve your space next Friday
phone Diane Steward 01-248 5284

SPECIALITY Chemical/Plant Manufacturer REQUIRED

Is most of your wealth tied up in your business and would you like to unlock those assets? If so, talk to us on an informal and strictly confidential basis.
Write Box G6070, Financial Times, 10 Cannon Street, EC4P 4BY.

Continental Group wants to buy manufacturer of

- CANS
- AEROSOLS
- COLLAPSIBLE TUBES
- CAPS AND STOPPERS

in aluminium or plastic.
Write Box G6074, Financial Times, 10 Cannon Street, EC4P 4BY. Principals only.

European Forwarding + Transporting Group

with over 50 own offices on the Continent and abroad looking for middle large Airfreight Forwarding Company to be acquired. Also interested in over 50% financial participations. The group already have airfreight interest in great many industrial key centres outside UK.
Write Box G6062, Financial Times, 10 Cannon Street, EC4P 4BY.

SUB-CONTRACTING OPERATIONS

HUNTING GIBSON LIMITED, a national public company having diverse interests, wishes to acquire active participation in established sub-contracting specialists in any trade. Ample funds are available to support development and growth utilising existing progressive management.
Reply to: The Secretary, Hunting Gibson Limited, 116-127 Park Lane, London, W1Y 4HN Telephone: 01-493 9781

OFFSHORE PRIVATE COMPANY

interested in acquiring whole or majority shareholding in medium sized companies with immediate cash flow problems and/or with long term fixed loan capital.
Write Box G6924, Financial Times, 10 Cannon Street, EC4P 4BY.

COMPANY CHAIRMEN

Private investment company specialising in turn-around situations will buy your loss-making subsidiary quickly.
Write Box G6067, Financial Times, 10 Cannon Street, EC4P 4BY.

COMPUTER BUREAU

Bureau, turnover £300,000 plus, part of a public group, wishes to acquire or merge with similar sized bureau(x) with aim of strengthening operational base. Preferred area west of London and south of Birmingham. Principals only telephone in confidence:
01-405 4108

WANTED

Established architectural ironmongers are seeking a Lancashire base. Ideally in Greater Manchester area, but would consider premises further north. Interested in existing business or warehouse facility of 5,000 to 10,000 sq ft.
Please send details to Box G6061, Financial Times, 10 Cannon Street, EC4P 4BY.

SCOTLAND

PRIVATE COMPANY BASED IN EAST SCOTLAND

has £½m. available for purchase of whole or substantial interest in a business, preferably situated in that area.
Write Box G6063, Financial Times, 10 Cannon Street, EC4P 4BY.

ABOVE AVERAGE PRICE

To be paid for an expanding business currently earning between £200,000 and £1m p.a. by a successful public company. Please contact The Chairman, Box G6078, Financial Times, 10 Cannon Street, EC4P 4BY, or telephone 01-278 9635 to arrange a confidential meeting.

WANTED. Company with Management or Capital losses £50,000/£400,000. Mallow, 9 Egerton Place, SW3. 584-8877.

INTERESTED in acquiring a Small Import/Export Company as going concern. Please write Box G.6003, Financial Times, 10 Cannon Street, EC4P 4BY.

UK NEWS—LABOUR

Pit closure policy would mean battle, say miners

BY PHILIP BASSETT AND CHRISTIAN TYLER

THE GOVERNMENT was warned yesterday by the National Union of Mineworkers that economic policies which led to pit closures could result in a battle with the miners as tough as that in 1972-73, which helped the last Conservative Government toward electoral defeat.

The warning was given further force at the Scottish Area conference of the NUM, where it became clear that Left-wing NUM leaders would mount a campaign in the coming months to prepare the miners for industrial action over pay this winter if necessary.

The NUM executive in a stormy meeting considered policies on coking coal imports and effects of the cut in the steel industry which they said had led to warnings about the future of a number of pits in South Wales.

Mr. Joe Gormley, NUM president, said after the meeting: "We shall resist as far as humanly possible the decimation of this industry."

The Government seemed perhaps to have forgotten the lessons of the miners' strikes of 1972 and 1974. If the idea behind the warnings of pit closures was to create a mood of apprehension among the miners, "I can only warn the Government that it could have the reverse effect and get the lads' backs up even more than wages."

At the forefront of the coming campaign to win basic-rate increases of about 35 per cent this winter will be the Scottish miners, who at the conference in Rothesay, Isle of Bute, unanimously adopted a pay demand for a minimum £100 a week for surface workers. The present basic rate is £73.65.

The demand implies a coal-face basic of about £140 against the present £102. It is likely to be carried by the union's national conference in three weeks' time.

Delegates declared yesterday that the claim was the result of genuine pressure from the rank-and-file feeling the pinch at home, and was moderate in the light of high inflation.

Scottish miners have generally done less well out of incentive bonus schemes than their English colleagues. Many receive no bonus at all, or sums of £5 to £10 a week compared with £50 to £100 in some English coalfields.

Mr. Michael McGahey, the Scottish president, said: "Don't pass this resolution unless you believe in it and don't pass it unless you are prepared to fight for it. Don't let us mislead the membership."

There would have to be a campaign not only in Scotland but throughout the country.

He suggested that the wages campaign and the concurrent demand for a four-day week be linked with the candidacy of Mr. Arthur Scargill, Yorkshire Area president, for presidency of the union to succeed Mr. Gormley.

Mr. Gormley said yesterday that the executive had "without dissent" suggested he stay on for three years, until he was 65. He feared that his negotiating position with the NCB might be weakened by suggestions of his retirement.

Weighell backs proposals to end inter-union rivalry

BY PHILIP BASSETT, LABOUR STAFF

ACCEPTANCE by the National Union of Railwaymen of the TUC's proposals to reduce damaging inter-union friction on the raiways would be a "giant step forward" for the union and the industry, Mr. Sid Weighell, NUR general secretary, said yesterday.

This week's conference of the train drivers' union, ASLEF, accepted the proposals, but motions to be debated at the NUR conference next month would, if passed, reject them. Mr. Weighell said he would oppose the motions.

In the meantime, an NUR sub-committee will consider the proposals, which define the two unions' spheres of influence on both Britis hRail and London Transport and seek to set up a joint railway trade union council.

Mr. Weighell said the proposals would fundamentally alter the attitude of the NUR towards recruitment and negotiating rights which had changed little since 1872.

The text of the TUC's proposals makes it clear that they were drawn up after allegations of inter-union "poaching." The TUC has the power to adjudicate in the disputes, but the proposals suggest a final attempt to reach agreement.

Mr. Len Murray, TUC general secretary, says in the text: "I recognise that any agreement of this kind requires a spirit of compromise on the part of each union and a willingness to modify some existing practices in order to achieve mutual and longer-term gains."

The NUR has put forward a resolution for debate at the Labour Party conference calling on the party and trade unions to determine the place of pay within a national economic and social plan.

Mr. Weighell makes a strong attack on Left-wingers in the Labour Party, and particularly on Mr. Anthony Wedgwood Benn, in today's issue of the Left-wing paper Tribune.

He says: "People with personal ambitions to be considered as a future leader of the Labour Party must show us that they can free themselves from the dogmatism and jargon of certain sections of the Left."

Mr. Benn and others of the "so-called Left" should be applauding those who advocated a policy on incomes as a part of socialist planning, not opposing them, he says.

Unions 'under worldwide attack'

BY JOHN LLOYD, LABOUR CORRESPONDENT

TRADE UNIONS throughout the industrialised world are suffering a co-ordinated attack on their rights from governments and employers, Mr. Eugen Loderer, president of the International Metalworkers' Federation, said yesterday.

Mr. Loderer, who is also president of the West German steelworkers' union, IG Metall, said Swedish employers had recently adopted lock-out tactics used by German companies.

In France and West Germany, companies were making increasing use of the courts to attack trade union rights, he said.

Mr. Loderer was introducing an International Metalworkers' Federation report, Trade Unions Under Attack, which is to be debated today at the federation's annual central committee meeting in London.

The document reviews a series of measures taken by governments and employers throughout the world which, it says, adds up to "an increased level of anti-union hostility."

It argues that Britain's Employment Bill, passing through Parliament, will "take away from workers some of their basic rights, reduce the legal responsibilities of employers, remove traditional trade union immunities and provide for judicial and legal interference in the way unions apply their rules on membership."

The report also claims that plans to reduce by £12 a week the social security benefit paid to the family of a striker "will directly hurt the innocent members of strikers' families."

● Our Belfast Correspondent writes: The trade union movement must harden its determination to resist the "vicious Tory strategy" and the attempts to drive unions back into a corner, Mr. Moss Evans, general secretary of the Transport and General Workers' Union, said yesterday.

Mr. Evans told his union's All-Ireland delegate conference in Newcastle, Co. Down, that the foremost measure of a successful economy was whether it provided work for its people.

"If the answer to that question is no, then all the other tests we can apply—economic growth, the level of profit, of investment—pale into insignificance," he said.

Action urged over CPSA dismissals

BY OUR LABOUR STAFF

BRANCHES of the Civil and Public Services Association, the biggest civil service union, are being urged by their executive to take industrial action today in support of a campaign to have two members reinstated.

Appeals have been lodged by the union against the dismissal of Mr. Philip Corddell and Mr. Richard Cleverley, clerical officers and union activists working at the unemployment benefit office in Brixton, South London.

Action is expected to range from protest meetings to one-day strikes and will particularly affect computer centres, benefit and social security offices and job centres.

The union is expected to mount further action—including stoppages over a three-week period at the Brixton office—and has not ruled out the possibility of co-ordinated national industrial action.

Management says the two men were dismissed for unauthorised absenses but the union says management was told in advance of these.

Unions to fight Lucas pay-offs

By Arthur Smith, Midlands Correspondent

TRADE UNION officials remain determined to fight 3,000 redundancies at Lucas Electrical despite a flood of shop floor volunteers to leave.

"We shall be taking every step necessary to convince our members that to accept voluntary redundancy is not an easy answer," Mr. Ernie Hunt, Birmingham South District secretary of the Amalgamated Union of Engineering Workers, said last night.

"The message has not yet got home to many workers that unemployment is worse than ever. Many employees, particularly those over 40, might never work again."

Workers who opted for redundancy against union advice would not be able to return to Lucas. Jobs vacated by volunteers might be blacked.

Such policies, said Mr. Hunt, forced Lucas Aerospace to "back off" and reduce redundancies in the Birmingham area from 800 to about 400.

Officials from the nine unions representing the 18,000 Lucas Electrical workers meet the company today, and will urge work-sharing rather than redundancies.

Lucas, which blames the action on the international recession in the motor industry, seems unlikely to make concessions.

Lucas has offered £1,200 above the legal requirement, which means that a worker with 20 years' service might pick up a lump sum of about £4,500.

● Deadlock has been reached at Lucas Aerospace in the first negotiations of the next pay round. The company, after a union demand for 30 per cent, offered 400 production workers 10 per cent, worth £11 a week to skilled employees.

Offer rejection recommended

UNION NEGOTIATORS will recommend rejection of what they say is a 16 per cent pay offer to staff at the Legal and General, one of the country's largest insurance companies.

The company said the offer was worth about 22 per cent.

Talks between it and the Association of Scientific, Technical and Managerial Staffs at the Advisory, Conciliation and Arbitration Service broke down yesterday, after lasting all day.

Ford proposals rejected

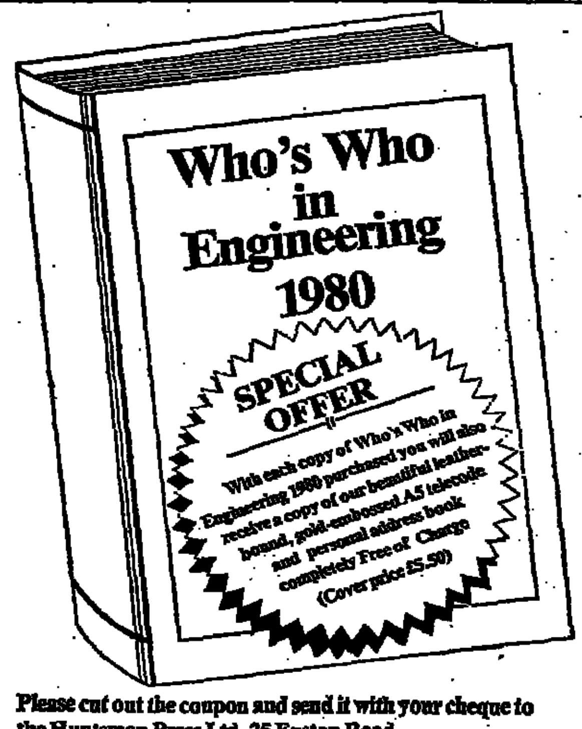
THE 4,000 hourly-paid production workers in the body and assembly plants at Ford Motor's Halewood site on Merseyside have rejected at a mass meeting the company's national proposals for changing working practices, linked to improved leave.

The proposals included a double day shift instead of a night shift, less time for tea breaks and an extra five days' leave. The 4,000 nightshift men will meet on Monday and are expected to make a similar decision.

Perkins vote

THE 7,000 production workers at the Perkins diesel engine plant in Peterborough, rejected the advice of union leaders yesterday and voted for a 16½ per cent pay increase although the unions had demanded a 40 per cent rise. The decision came at a mass meeting when the men were urged to reject the company offer worth £13.24-£17.28 a week and backdated to April 1.

WHO'S WHO IN ENGINEERING 1980



• Published August 1980 •

This beautifully bound, hardback, laminated 600+-page glossy book contains vital business information on literally thousands of companies supplying products and services of interest to all UK based Engineering/Business concerns.

USE Who's Who in Engineering for:—
Purchasing information, Mail Shots, Planning Sales and Marketing Strategies, etc. etc.

OTHER FEATURES INCLUDE

- A special Diary/Calendar section.
- In depth editorial on selected companies.
- A Dialling Codes section giving details of National and International Telephone Dialling Codes.

FOR YOUR COPY OF WHO'S WHO IN ENGINEERING 1980 SIMPLY FILL IN THE COUPON BELOW.

To:-The Huntsman Press Limited, 25 Euston Road London NW1 2SD.
Please supply me with ______ copies of Who's Who in Engineering 1980 @ £25 per copy including post & packing.
Name ....
Name of Company ....
Address ....
.... Tel. No. ....

Please cut out the coupon and send it with your cheque to the Huntsman Press Ltd, 25 Euston Road, London NW1 2SD

WHO'S WHO IN ENGINEERING 1980

WHO'S WHO IN ENGINEERING 1980

WHO'S WHO IN ENGINEERING 1980

هكذا من الأصل

Executive Car of the Year

What Car? magazine

"The new car that offers excellent handling and power steering as well as an outstanding ride to complement its very respectable performance."

"We found it hard to fault."

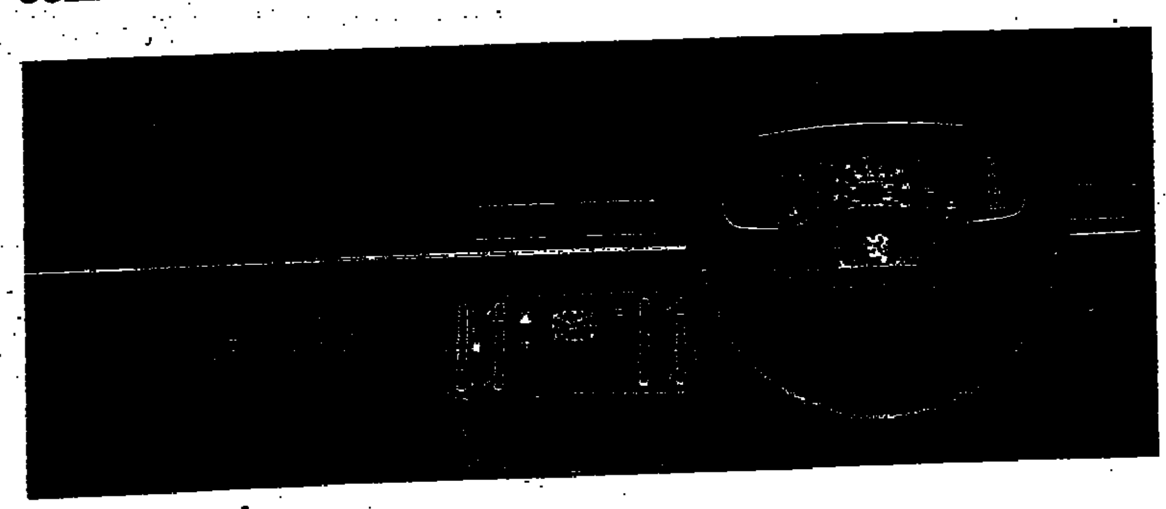
"The 505 is a sensible thoroughly developed executive car..."

"The new 505 has beaten some impressive rivals to take its class."

"What the other Experts Say"

"With the 505, Peugeot have achieved their aim to produce a car that has the excellent ride, good noise suppression and comfort of a limousine, but that has the sporty appeal of cars from a marque such as BMW."
What Car?, November 1979

"The 505's main appeal is that it is a particularly well balanced all-rounder, notable for its quietness and comfort."
Daily Telegraph, November 1979



505 GR Dashboard

"Quite simply, the 505 is an excellent motorcar... good at most things, excellent at some, and poor at none."
Motor, November 1979

505 STI Interior

"It is, above all, a well-balanced car: quiet, well- sprung and pleasant to handle."
Sunday Telegraph, December 1979

"Ride and handling of the 505 was impressive. Towcar of the Year 1980, the Peugeot 505 SR."
Caravan, December 1979

"TI/STI with new Douvrin engine is the definitive 2.0 litre four-door saloon."
Car Magazine, December 1979

"As always in a Peugeot, the ride quality is superb."
Financial Times, December 1979

Peugeot 505 TI wins German Golden Steering Wheel Award. This is the first time a non-German car has won this accolade, sponsored by the Springer Group, publisher of Europe's largest Sunday newspaper

Peugeot Automobiles (UK) Ltd.,
333 Western Avenue,
London W3 0RS
Tel: 01-993 2331

PEUGEOT
World famous for strength.

UK NEWS—PARLIAMENT and POLITICS

'Lack of leadership' in West says Healey

BY JOHN LLOYD, LABOUR CORRESPONDENT

MR. DENIS HEALEY, the Shadow Chancellor, yesterday criticised Western governments for showing a "lack of leadership" and called for international action to avoid "a recession comparable to that of the 1930s."

Mr. Healey also delivered a domestic swipe at the Prime Minister, saying that the £750m reduction in the UK's contribution to the European Community's budget would be worth at best only £200m in the present year, while half of the remainder would be taken up by EEC expenditure of social and regional aid in the UK, rather than in a monetary refund.

In a speech to the International Metalworkers Federation's central committee, which meets in London this week, Mr. Healey said that the major problem facing the West was the increasing real oil price and the surplus build-up in the OPEC countries.

"There may be a surplus of $100bn over the next year, which means $100bn out of world demand."

He said that the governments of the oil consuming countries must introduce deficit financing to compensate for the loss of demand.

If this policy were not adopted, the recession would be deeper and longer than necessary, with the possibility of a collapse of the banking system.

Mr. Healey said that the third world economies which did not possess oil would be worst hit by the recession.

"They will need to borrow $70bn this year and are already borrowing at an enormous rate to finance existing debt."

He continued: "The tragedy is that this time there has been little leadership from governments of the world in dealing with the crisis. Nearly all governments seem to be concerned only with the impact of the oil crisis on domestic inflation and not at all on unemployment."

Mr. Healey said that OECD estimates showed that unemployment in the industrialised world would rise by 7m over the coming year to 24m.

He made a number of oblique and overt criticisms of the Government, stressing that the successful economics—as Japan, Austria and Norway—operated a consensus on economic and social policies.

"Governments will come to realise that you cannot run a modern economy without close co-operation with the trade union movement," he said.

Employing a favourite metaphor, he said that "Mrs. Thatcher has done for monetarism what the Boston Strangler has done for door-to-door salesmen."

Ombudsman to appeal for wider powers

By Philip Bassett

THE GOVERNMENT'S Ombudsman will tonight make it plain that he would like to see the restrictions of his post lifted to allow him to initiate complaints against Government departments rather than simply taking up those problems referred to him through MPs.

Mr. Cecil Clothier, the Parliamentary Commissioner for Administration, will explain on the ITV programme Public Office that the ability to initiate rather than react to complaints is the major necessary reform which has become clear during his period of office.

He says: "It seems to me manifest that it would be a good thing and a reassurance to the public if somebody quite independent could take a look at the whole of this particular aspect of administration and see whether it couldn't be improved."

At present the Ombudsman can only deal with complaints from the public if they have been channelled first through local MPs.

Mr. Clothier says that the need to alter the present arrangements came sharply into focus over a recent case of a bogus doctor who performed 29 operations before it was discovered that he was not a surgeon.

Joseph initiative for EEC industrial subsidy 'disarmament'

BY ROBIN REEVES

SI KEITH JOSEPH, the Industry Secretary, has launched an initiative to try to persuade EEC and eventually OECD Governments to undertake industrial subsidy "disarmament."

Sir Keith was giving evidence before the Welsh Select Committee's inquiry into the steel jobs crisis yesterday. He stressed his soundings had been no more than preliminary at this stage, but indicated he would be pursuing the issue further.

The "disarmament" would be aimed primarily at the aid packages offered to attract internationally mobile investment. Besides the EEC, he suggested the initiative would also be pursued within OECD.

Sir Keith acknowledged that Wales and other parts of Britain faced very stiff competition from the Irish Republic in attracting footloose investments to replace jobs being lost in steel and other industries.

"As I found on my recent American visit, the Irish Government do have a very attractive package of apparent tax burden relief," he said.

At the same time, the tax aid in the UK by vigorously expanding enterprises was also very low, he stressed, even if it was more complicated than Ireland's simple offer of 10 per cent maximum Corporation Tax until the year 2000.

Earlier, Mr. Lionel Lightman, a senior official at the Department of Industry, explained that the value of Ireland's incentives, along with those available in Southern Italy, Greenland and Northern Ireland, were 2½ times as great as those prevailing in the rest of the UK.

Sir Keith said this was because these particular areas were thought to be in need of particular economic reinforcement by the EEC. Within the ceiling laid down by Brussels for the rest of the Common Market, UK incentives were competitive.

Asked about the Government's proposal for South Wales to be designated as a special action area for EEC fund purposes just submitted to the Brussels Commission, Mr. Lightman said it was a descriptive and analytical Welsh Office document of the present position of South Wales. The Commission's idea of an integrated programme in selected areas was still very much experimental. The proposal was not directed towards securing new or large sources of finance.

Mr. Leo Abse (Lab., Pontypool), the committee's chairman, said they were surely entitled tto a document "which is now circulating freely in Europe."

Welsh steel corporation discussed

By Robin Reeves

THE SETTING up of an autonomous Welsh steel corporation is one of the main options being considered in the British Steel Corporation's reorganisational review, according to the Welsh Nationalist Party, Plaid Cymru.

A Plaid delegation, headed by Mr. Gwynfor Evans, party president, met Sir Charles Villiers, BSC chairman in London yesterday.

It was told the idea of a Welsh Steel Corporation would be fully considered in the management investigation recently ordered by Mr. Ian McGregor, the incoming BSC chairman.

However, Sir Charles echoing recent statements by Mr. MacGregor, refused to give assurances that employment levels in BSC would be maintained in future.

Whitelaw's fun day

BY PHILIP RAWSTORNE

MR. WILLIAM WHITELAW breezily took charge at the Commons yesterday in the absence of the headmistress in Venice.

A great welcoming cheer greeted him as the assembly realised it was going to miss its bi-weekly economics lecture.

The Tory deputy leader beamed indulgently — and dispensed more fun than facts.

Some Tory MPs were not terribly amused by the diversions.

Mr. Harvey Proctor (C., Basildon) suggested darkly that the Home Secretary should be devoting more effort to curbing immigration.

Something had been done—"I have nothing to add," Mr. Whitelaw lightly responded.

Mr. Ivor Stanbrook (C., Orpington) and Mr. Michael Shaw (C., Scarborough) demanded more curbs on trade unions.

Something was being done about that as well, Mr. Whitelaw replied. Mr. James Prior was bringing out a Green Paper. . .

"It's a scandal," protested a Labour MP. "You may think it's a scandal. It happens to be a fact," Mr. Whitelaw retorted.

Since no one seemed to recognise a fact when they were given one, Mr. Whitelaw returned to the frolic.

Mr. Barry Sherman (L., Huddersfield E) pressed him about the Financial Times report that the Government was to stop all council building.

Confirm or deny it, Mr. Sheerman challenged. "I know nothing about it. I did not understand what it said at all," the Home Secretary declared, joining delightedly in the laughter.

Mr. James Callaghan demanded an assurance that the Government had no such plans.

"I know of no evidence to this effect," said Mr. Whitelaw without exactly providing reassurance.

Mr. Bob Cryer, (L. Keighley) caused another brief hiccup in the hilarity.

How did he square Tory chairman Lord Thorneycroft's involvement through Lillywhites in a £150,000 contract for track equipment for the Moscow Olympics with the Government's attack on British athletes, Mr. Cryer asked.

Was it not "pure hypocrisy and double standards by Tory leaders busy lining their pockets?"

Mr. Whitelaw turned soberly to the Prime Minister's prepared script. "Those deciding to go to Moscow must examine carefully whether their actions are in the best interests of the country," he replied.

"Answer, answer," bellowed Labour MPs—"I personally don't think they are," Mr. Whitelaw added.

The Home Secretary's instincts proved more acceptable than the absent Mrs. Thatcher's repeated words.

Mr. Robert Sheldon (Lab., Ashton-under-Lyne) urged him to follow that instinct when the Cabinet discussed its economic policy.

"Monetarist jargon never sounds convincing coming from your mouth," he said.

Mr. Whitelaw replied that he would leave it to MPs to judge what words of his sounded convincing. "I fully support the Government's policies," he said.

But Mr. Whitelaw was a sensible man, Mr. David Steel, the Liberal leader interjected.

When would he and others like him in the Cabinet assert the need for an incomes policy?

Would Mr. Whitelaw compare Lord Thorneycroft's call for proper limits to MPs' pay with Mrs. Thatcher's dismissal of guiding lights?

"The sensible answer is yes sir," Mr. Whitelaw smiled.

When would the sensible men overcome the "monetarist fanatics"? Mr. George Foulkes (L, Ayr S) repeated.

Mr. Whitelaw smiled again.

Parliament may deal with tax law sooner

SIR GEOFFREY HOWE, the Chancellor, yesterday held out the possibility of dealing with technical details of tax legislation in an autumn Finance Bill at some stage during the present Parliament. This would allow Parliament to debate technical taxation changes less hurriedly than at present. Under the current system, tax alterations of all kinds—both of a technical and broad fiscal nature—are dealt with simultaneously during the late spring in the annual post-Budget Finance Bill.

In a written Commons reply to Mr. David Price, Conservative MP for Eastleigh, Sir Georey said: "There are clear attractions to the idea of an occasional, separate autumn Finance Bill."

He conceded that there were great pressures on parliamentary time for legislation. "But I hope that a technical autumn Finance Bill can be regarded as a realistic possibility later during the present Parliament."

The idea of a separate Bill to handle technical changes had been put forward by Sir Geoffrey while in Opposition. In particular, an autumn Bill well ahead of the start of the new financial year would allow more time for detailed representations from bodies affected by proposed changes.

Mason presses need for Labour unity

BY ELINOR GOODMAN, LOBBY STAFF

MR. ROY MASON, the former Ulster Secretary and Shadow Cabinet member now under attack from his constituency Labour Party, warned yesterday that unless the Party's Commission of Inquiry succeeded in unifying the party, splinter groups could spring to prevent the party being returned to power.

Mr. Mason made it clear that he did not think the Centre party envisaged by Mr. Roy Jenkins, would succeed.

But he warned that if it did get off the ground at all, it would ruin Labour's chances of winning the next election. Responsibility for that ,he implied, would rest firmly with the Left.

Mr. Mason's warning came on the eve of the weekend conference, beginning today, of Labour's Commission of Inquiry.

It coincided with an implicit criticism of the strategy that Mr. James Callaghan the party leader, has adopted on the commission from the Campaign for Labour Victory, a pressure group which claims to represent Labour's Centre-Right.

It claimed that a number of the large unions affiliated to the Labour Party (unlike Mr. Callaghan,) shared their view that the composition of the party's executive should be radically changed.

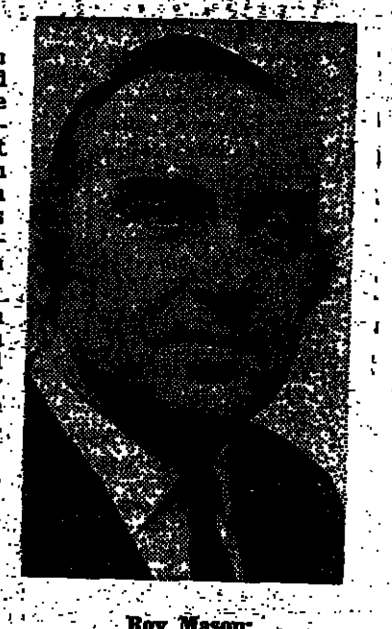
Mr. Mason's warning came in an open letter to Mr. Ron Hayward, Labour's general secretary.

As a member of the Labour Party for nearly 28 years he said he wanted the party to be aware of the 'anti-Labour factions that can spout during a time of contending groups for the soul and power of the party," and the emergence of groups who, in the words of Mr. Jenkins would "react against the lurch to the Left."

Why should an alliance such as Mr. Jenkins envisaged between hte Liberals and the Social Democrats even be a possibility?" he asked. Was it not that the militant image within the movement was creating an atmosphere in which "this menace could be born, germinate and grow to kill any return of Labour to power"?

The party, he said, must be on guard against any sign of an organisation taking root and involving people and money which in the end could only be anti-labour, and not, he emphasised, Democratic Socialist.

The Commission of Inquiry, he said, must unify the party with its report, otherwise independent Labour candidates, not re-selected by their own parties, might stand against official Labour candidates at the next election as the only way of getting redundancy money.



Roy Mason: splinter group threat

Next week in Parliament

COMMONS

Monday: Debate on the Brandt Commission report.

Tuesday: Coal Industry Bill, second reading. Redundant Mineworkers and Concessionery Coal (Payments Scheme) Order. International Development Association (Sixth Replenishment) Order. European Communities (Definition of Treaties) Order.

Wednesday: A debate on Ferranti. Opposed private business. Consideration of Lords Amendments to the Industry Bill.

Thursday: Debate on the Royal Navy. Pool Competitions Act 1971 (Continuance) Order.

Friday: Debate on the Effects of the Government's economic policies on the West Midlands.

LORDS

Monday: Social Security (No. 2) Bill Committee stage. Gas Bill second reading.

Tuesday: Social Security (No. 2) Bill Committee. Debate on EEC report on powered industrial trucks.

Wednesday: Debate on problems created by the application of the principle of comparability in settlement of salary and wage claims. Coroners Bill, second reading. Licensing Bill, report stage. Short debate on the future of the Development Commission.

Thursday: Overseas Development and Co-operation Bill, committee stage. Statute Law Revision Bill, committee stage. Transport Bill, third reading. Sea Fish Industry Bill, committee stage. Army, Air Force and Naval Discipline Acts Order.

Friday: Laboratory Animals Protection Bill, committee stage.

Quiet, anti-pollution General Electric engines power Alitalia's A300/B4 Airbus.

Only Alitalia offer all the spaciousness of daily wide-bodied flights from London to Rome.

Every day at 12.10. From July 1st.

Alitalia's A300/B4 is the latest version of the Airbus, an aircraft that already enjoys a reputation as one of the most comfortable planes in the sky.

The 12.10 departure is ideal for connections from internal UK airports and for onward flights from Rome on Alitalia's worldwide network: with Alitalia you get wide-bodied comfort all the way.

Arrival in Rome is also nicely timed for 'Intermezzo' holidays and stopovers, particularly if you decide to take a long weekend: you fly out on Friday at 12.10—you stay in a first class hotel—and we get you back to London's Heathrow airport on Monday.

Now, if you would like us to enter your name for a space reservation, contact your Travel Agent or 'phone Alitalia, 01-734 4040.

Alitalia

Elinor Goodman reports on Labour's showdown this weekend

Party's future on the table

THE DAY of reckoning for the Labour Party may finally arrive this weekend in the tranquil setting of the ASTMS training college in Bishop's Stortford. For it is there, protected by all the security which Mr. Clive Jenkins can provide, that the thirteen and a half members of Labour's Commission of Inquiry will get down to making recommendations on the constitutional issues which both Left and Right wingers regard as fundamental to the party's future.

On the agenda will be the questions of who should write the party manifesto and elect the leader, and whether sitting MPs should have to go through a regular re-election process. Probably under discussion will be other, inter-related, subjects, such as the question of the unions' block vote at Conference and the possibility of setting up a new National Council of Labour—which could be used as negotiating counters in the complicated horse trading which will almost certainly take place as the two sides try to woo the all-important votes of the five trade union representatives on the commission.

Hope

With all five members of the Executive on the commission and the party treasurer pushing the Left wing position on the constitutional issues, the only hope Mr. James Callaghan, the party leader, has of winning the day is in persuading a majority of the unions' representatives and Mr. Michael Foot, his deputy, to back the status quo.

Equally, the Left needs the support of at least two trade unionists—probably Mr. Moss Evans of the Transport and General Workers' Union and Mr. Clive Jenkins of the Association of Scientific, Technical and Managerial Staffs—to defeat defate Mr. Callaghan. As for the thirteenth-and-a-half man, the chief whip, he does not have a vote.

By the time they emerge on Sunday night—bleary eyed, and no doubt irritable after more than 20 hours of discussion—they should, in theory, have agreed on all the main constitutional issues. Also, they should have made recommendations on other vital subjects, such as finance, of which the party is very short, and organisation, of which the party has much less than the Conservatives.

Alternatively, the weekend may turn out to be a block-busting fudging session. Since the question of the membership of the commission was settled at the end of February after six weeks of wrangling, there have been no votes. Every time anything like a constitutional issue has been raised, it has been hastily agreed that this should be left to this weekend session, when all the 2,000 bits of paper which make up the evidence have been collated.

The weekend session has, therefore, become the repository of all the really thorny issues, and though some members talk publicly about avoiding votes altogether, both sides are privately talking about the possibility of producing a minority report.

The report, or more likely reports, will then go to a meeting of the party's Executive for a verdict. There, it will once again be back to the numbers game of counting entrenched Left- and Right-wing votes. Again, only a few are floaters.

Given the strength of the Left on the Executive, it would be more likely—though no longer certain—to give a favourable verdict to a report which came out in favour of the constitutional changes.

The report, together with the Executive's verdict, will then go to this year's Party Conference where the numbers game is played in terms of the thousands of votes which the unions control through their block system, and in which the vote of one member of a large delegation can, as happened last year, carry the day.

Again, most of the voting attitudes will have been entrenched long before anyone gets round to reading the commission's report. And this year, the key vote of the Amalgamated Union of Engineering Workers looks like going with the moderates. On this basis, last year's conference decision to give the National Executive the final say on the party manifesto and to make re-selection procedures for sitting MPs mandatory would be overturned.

In the same way, the rules governing the way in which the Parliamentary Labour Party alone elects the party leader would survive another year.

Many of the votes at Conference—the final arbiter on the party's constitution—depend, therefore, more on already entrenched attitudes than anything the commission might recommend this weekend. Even so, both sides at Bishops' Stortford regard the outcome as most important.

For a start, it would be more difficult for the five unions represented on the commission—the Amalgamated Union of Engineering Workers, the General and Municipal Workers' Union, SOGAT, the Transport and General Workers' Union and the Association of Scientific Technical and Managerial Staffs—to vote against the commission's report at Conference if their leaders had endorsed it on the commission. Equally, the report will be a powerful propoganda weapon, particularly for the moderates, who could argue at Confrerence that even if the Executive rejected its recommendations, they had the moral authority of the report on their side.

In the same way, though the attitude of a majority of members of the commission is already determined on the constitutional issues, the evidence to be submitted is important and cannot be ignored. Also, attitudes are not so entrenched on some of the areas which may, in the long term, prove to be as important as the constitutional issues, such as finance and organisation.

The unions, as the main paymasters of the party, for example, regard the whole question of finance as crucial. The financial panel looks like coming up with recommendations on increasing state aid for political parties, and raising the unions' affiliation fees at both national and local level. Given the parlous state of Labour's finances, these ideas may be accepted without too much trouble on the commission. More controversial would be any ideas the unions might have for keeping a tighter grip on the party purse strings.

Evidence

On the constitutional side, most of the evidence has centred round the three main issues. Predictably, the constituency parties, which sent in by far the most individual submissions, supported the Left on these. There was little support from this source for the idea of changing the composition of the Executive, though there was considerable pressure for modifying the system of the unions' block vote at Conference.

Equally predictably, the Parliamentary Labour Party supported the status quo—though the Left will argue that not enough MPs bothered to vote to make the evidence meaningful.

As for the all-important unions represented on the commission, their evidence is all over the place. Though the Right claimed yesterday that some of the biggest unions were supporting its demand for a change in the structure of the national executive, only 16 out of the 60 unions entitled to submit evidence have bothered to do so.

The Left is hopeful that it will get through the re-selection of MPs and a change in the Parliamentary Labour Party's exclusive right to elect the leader, but their interpretation of an electoral college is not always the same as that of the unions who are pushing the idea of a new National Council of Labour, which would reduce the influence of constituency parties and the executive in other areas.

When the talking starts today, both sides will probably argue that the weight of evidence is on their side. Neither is confident of victory, though the Left claims a good chance of getting more than half of what it wants. The moderates seem to have forgotten that it was originally their idea to have a commission as a means of reversing last year's Conference decisions on re-selection and the manifesto.

Yesterday, the Right were already beginning to cry "unfair," with renewed claims that the composition of the commission had been rigged in favour of the Left.

What is almost certain is that if either side emerges as a clear loser on Sunday night, they will fight on until the next Day of Reckoning. And, in the Labour Party, they come at least once a year.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
AKZ C	F.25	—	—	15	1.40	51	2	F.24
AKZ C	F.25	2	1.20	—	—	—	—	
ARB C	F.60	—	—	5	5.80	—	—	
ARB C	F.65	—	—	2	2.40	—	—	F.65.40
FNC C	F.20	—	—	1	3	—	—	$23
HEI C	F.50	12	2.30	10	4	—	—	F.58.80
HEI C	F.65	5	0.50	2	2.90	—	—	
HEN C	F.52	—	—	1	9.80	—	—	"
HO C	F17.50	20	0.80	—	—	—	—	F.15.80
IBM C	$60	—	—	2	3	—	—	$58¼
KLM C	F.60	7	6.50	9	8	—	—	F.64.30
KLM C	F.70	58	1.80	60	3.20	—	—	"
KLM C	F.80	32	0.40	4	1.30	—	—	"
KLM P	F.60	35	1.60	6	4.50	—	—	"
KLM P	F.70	71	7	—	—	—	—	
NN C	F.110	1	5.20	—	—	—	—	"
NN C	F.120	—	—	—	—	—	—	F.111.50
NN P	F.110	—	—	—	—	5	3.70	
PHI C	F.17.50	—	—	5	3.40	—	—	
PHI C	F.20	—	—	27	1.80	—	—	F.17.90
PHI P	F.17.20	—	—	40	0.50	9	0.80	"
PHI P	F.20	—	—	10	0.80	6	0.80	"
RD C	F.140	44	—	2	27	2	2.20	"
RD C	F.150	64	18	4	18.50	—	—	F.167.60
RD C	F.160	204	9	119	10.70	59	12.80	"
RD C	F.170	314	2.70	167	5	18	7	"
RD P	F.140	—	—	8	0.70	—	—	"
RD P	F.145	10	0.20	5	1.30	—	—	"
RD P	F.150	85	0.40	15	2.40	76	5	
RD P	F.160	155	1.40	18	6.20	30	7.50	"
RD P	F.170	60	5.30	—	—	—	—	"
UNI C	F.105	—	—	2	10.50	—	—	"
UNI C	F.120	—	—	10	1.50	—	—	F.115.20
UNI P	F.105	—	—	10	1.20	—	—	"
UNI P	F.110	11	1.60	—	—	—	—	"
XON C	$60	16	9⅛	—	—	—	—	"
XON C	$70	12	2⅛	—	—	—	—	$69⅛
		Aug.		Nov.		Feb.		"
BA C	$35	3	3¼	—	—	—	—	$37⅛
SLB C	$110	2	10½	1	14	—	—	$118
SLB C	$120	9	4	7	7¾	—	—	"
VEB C	DM140	—	—	5	8.50	—	—	DM141.30
VW C	DM.180	10	2.80	—	—	—	—	DM178.10

TOTAL VOLUME IN CONTRACTS 2045

C=Call P=Put

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSTRUMENTS

Locates underground water leaks

ESCAPES FROM buried water pipes reveal their presence by the noise they make but it is not always a simple matter to locate them very accurately with conventional listening tubes, especially in the noisy conditions of busy streets.

Since inaccurate location can often mean wasted digging, the Water Research Centre recently commissioned Plessey's Electronic Systems Research Laboratory in Havant to develop a location instrument and the resulting unit, called the Leak Noise Correlator, can determine the position of most water leaks in pressurised pipes to within one metre.

Basic principle is that, if acoustic detectors are placed on either side of the suspected position of the leak (attached say, to fittings or standpipes) then the time difference of the arrival of sound at each will be a measure of the leak position.

Technique used in the instrument is progressively to delay the signal from one transducer and multiply it by that from the other, plotting the result against time on a chart recorder.

The plot reaches a peak when the two signals (delayed from one transducer and undelayed from the other) are coincident in time, and the position of the peak from the start of the trace indicates the time difference. Then, knowing the speed of sound in water and the distance between the two detectors, the leak position can be found.

Position is determined to one metre and if two leaks happen to exist they will both show up on the plot.

Portable, the unit can be mounted on a vehicle and is easy to use.

Manufacture is being undertaken by Plessey AEA, Great Yarmouth, Norfolk, (0493 58541).

● COMMUNICATIONS

Stops unauthorised calls

MOST DIRECTORS and managers have a continuing uneasy feeling that the company telephone system is being used for unwarranted private purposes by employees.

Some do not mind, regard it as an unavoidable expense and trust their employees to use the phones with consideration. For those that do mind and would like to put a stop to the practice, Telspec of 15 The Boardway, Maidstone, Kent ME16 8PW (0622 56846) have an equipment which, when it is approved by the Post Office, will be able to prevent various categories of unauthorised call.

Called Securitel, it operates on four levels of outgoing calls: no bar at all; no international subscriber dialling; no trunk dialling (that is, local calls only can be made); and emergency calls only. Incoming calls are not affected.

The equipment works by examining the first three digits of the dialled number and by counting the total dialled. Beyond pre-set limits the line is disconnected and returned to dialling tone. Setting of the four levels is by a security switch with a five-tumbler action.

Measuring only 100 x 200 x 40 mm, this sealed unit is connected in the line to the instrument and contains no batteries: its consumption from the line is negligible and the unit does not distort dialled pulses or attenuate a conversation.

Securitel is at the moment being evaluated by the Post Office and if it is approved decisions have yet to be made as to whether the device will be sold by Telspec or the Post Office. Telspec has been successfully exporting the equipment for over a year.

● ELECTRONICS

Tiny memory device

NATIONAL Semiconductor says it has produced the industry's smallest bubble memory package with release on a sample basis of the NBM2256, a 256k device in a dual-in-line package occupying a base area of 1.10 x 1.10 inches and having a height of 0.36 inch.

Operating at 100 kHz, the device has a data rate of 100 kilobits per second and a seven milliseconds average access time to the first bit of a random data block. Power dissipation is about 750 milliwatts.

The company has used direct stepping on the wafer during the projection lithography process which "prints" each circuit. Dimensions down to 1.5 microns are involved and the storage cell size is only about 12 microns square. This makes possible a bit density of 670,000 bits/sq cm and results in an overall die size of only 300 x 320 mils.

It is intended to complement the bubble memory with four support circuits—controller, function driver, coil driver and sense amplifier—to give a complete bubble memory subsystem in only 9 sq ins of board area. Availability will be late this year but in the meantime a board with standard IC support will be supplied for evaluation purposes.

More from 301, Harpur Centre, Horne Lane, Bedford (0234 47147).

● ENERGY

Prevents heat wastage

HUDDERSFIELD factory of T. H. Rayner and Son carries out commission wool scouring, carbonising, bleaching and moth proofing, and can now save something like 120,000 therms a year with the installation of an ICCO recuperator from Spur Engineering, 138 Kenley Road, Merton Park, London, SW19 (01-540 4581).

The recuperator carries out the pre-heating duties of a 10,000 gallon water storage tank —supply source for several scouring lines used in the factory processes.

Pre-heating is achieved by extracting, and then utilising, waste heat from the exhaust gases of one of two 20,000 lb an hour steam boilers (made by Robey of Lincoln).

Demand for water in the scouring process is so high that heat recovery (which increases as greater calls are made upon water in this particular installation) is exceeding expectations, says the company.

Specifically, with a final exhaust gas temperature of 35 degrees C and below, an overall combustion efficiency of 98 per cent, and better, is being achieved; while high efficiencies are resulting in all ICCO installations, this is the highest to date calculated by Spur Engineering.

Apart from effecting big fuel savings, the installation is also instrumental in providing sizeable water gains in creating water by gas condensates, said to be a major feature at the Huddersfield factory where water demand is high.

This stainless steel apparatus operates by condensing the water vapour of the exhaust gases—achieved by washing them by direct contact with water. Substantial quantities of both sensible and latent heat may be reclaimed and the heat re-utilised, either direct or through heat exchangers, for various applications such as hot water services for hospitals and hotels, heating of water for industrial processes (as at Huddersfield), swimming pools, underfloor heating, air heating, and any low grade heat requirement.

The recuperator may also be added to existing plant.

'O' Rings
Oil seals and
Gaskets
ERIKS
ERIKS-ALLIED POLYMER LIMITED
WHATEVER THE INDUSTRY WE HAVE A PART IN IT
Manchester Industrial Centre
Water Street, Manchester M3 4JU
061-832 6784

● MATERIALS

Produces very strong joints

SAID TO be so versatile that it can replace half a dozen other glues in the typical woodworking shop is an adhesive called Rakoll Express TO 50 distributed in the UK by Sonneborn and Rieck, Jaxa Works, Peregrine Road, Hainault, Ilford, Essex (01-500 0251).

Although PVA-based dispersion glues are not rare, setting time and viscosity, in addition to economy, vary greatly in use of the material, says the company, but this one is very quick to set—even when applied in a relatively thick film on joints that are rough from the saw. It is economical in use and produces elastic but very strong joints.

● OFFICE EQUIPMENT

Microfilm reduces need for paper

LARGE SCALE commitment of an organisation's paper documentation to microfim is still an idea which engenders unease among many managers, efficiency, reliability and cost remaining the prime questions.

Two systems, a recorder and a sheet film retrieval system about to be marketed in the UK by A. B. Dick after considerable success in the U.S. should remove many doubts and also meet requirements for easy updating and retrieval of the fiche.

The recorder uses transparent electrophotographic film: an initial flash illuminated exposure of the film to the document via a lens system makes electrosensitive patterns on the film surface to which a toner adheres and is fixed by a radiant heat exposure. Each image is permanently recorded in eight seconds. It cannot be removed, but can be overwritten and added to by subsequent exposures, allowing updating, or invalidation of one frame and its replacement by another.

The film does not become sensitive to light until placed in the recorder so that during external handling and storage it is virtually unaffected by normal office lighting.

Use of the machine, known as System 200, is very simple. The operator simply hangs the fiche on a holder in a vertical receptacle, places the original on the copying horizontal platen, uses a keyboard to determine which of the 60 (or 98) fiche frame positions shall be filled, and presses the start button. Vacuum systems grasp the fiche, a cover slides over the original, exposures take place, and the fiche is ready for removal and handling in eight seconds.

Similarly, the image can be added to, but only after the operator overrides interlocks that normally prevent double exposure of a fiche position. The large, overprinted word "VOID" can be added in the same way. When a new fiche is being filled from the start of the top row (portrait mode is used for recording), the recorder will automatically step from one position to the next.

Although over 700 of these machines have been placed in the U.S. the company is only now starting earnest marketing in the UK. An early customer will probably be the Financial Times which plans to put international company data on to microfilm.

The problem of retrieving a frame of information from one fiche is of course, relatively simple using a modern projection reader with X-Y manipulation of the fiche; a frame can be found in a few seconds.

However, if there are a large number of fiche the right one has to be isolated, so that the problem once again assumes overtones of paperwork.

To make this a simple matter a Cincinnati company called Access Information Control Systems has for some time been selling a retrieval machine in the U.S.—there are some 6,000 installations — and is now making it available in the UK through A. B. Dick (88 High Street, Brentford, Middlesex, TW8 8BA, 01-568 8899).

It consists of a selection unit which holds the fiche, stacked vertically side by side, in a number of cartridges. Each cartridge, about the size of a couple of shoeboxes placed end to end, holds fiche equivalent of to 2,000 sheets of paper. Associated with the retrieval unit is a free-standing keyboard console with one-line electronic display.

Each of the fiche is held in a jacket of special design. Along the bottom edge is a pattern of notches and on the front vertical edge a miniature magnet.

The notches are specifically related to the number of the fiche, normally held in physical index; when the number is entered on the keyboard, the appropriate fiche is pulled out of the stock by means of a system of ascending longitudinal bars that locate (or not) into notches. A bar magnet running the length of the stack tries to pull out all the fiche by means of their small magnets, but only those programmed to do so by the bars will actually emerge.

An important feature of the Access System 60 is that a fiche can be put back into the stack entirely at random; when keyed again it will always be extracted by the mechanism.

The notches on the jacket bottom edges are programmed also by the keyboard, which at that time is connected to a notching machine in which the fiche is placed. Wear on the notches is said to be negligible since there are no appreciable contact forces.

By manipulation of the stacks of fiche and their presentation to the magnet/bar selection unit, the equivalent of 1,000 filing cabinets can be stored—the Access System M — and retrieval time still does not exceed 14 seconds for one fiche.

The recorder supplied in the 60 frame/fiche format costs a little under £20,000 and the cost of fiche is 21.6p each. The Access selection equipment has a starting price of about £6,000 while the big System M costs £112,000.

It is understood that A. B. Dick is about to take a more comprehensive approach to information retrieval; it will embrace computer systems where necessary and will be able to draw on the resources of its new parent, the General Electric Company.

It sees no competition between computer and microfilm, claiming that even in well computerised companies only 2 or 3 per cent of the information that has to be kept is in a computer store—but very little of the archival, semi-archival and original document material.

GEOFFREY CHARLISH

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● TEXTILES

Resistance of fabrics to fire

A NEW piece of test equipment has been developed in Yorkshire by a British company for monitoring the effects of flame applied to sample fabrics.

The model 280 flammability tester of James H. Heal and Co. (Richmond Works, Halifax, W. Yorks. 0422 66355) has been designed to provide data that will conform with the British Standard BS 5348 and it is likely that it may well be easy to adapt to meet all the proposed regulations of the ISO—International Standards Organisation.

Basically the tester comprises a vertical frame on which a specimen is hung. In the first test a butane gas flame is applied to test the ease of ignition of the fabric by a controlled flame exposure. The second test measures the extent and duration of fabric flaming and afterglow after the source of ignition has been removed.

The third, and final test requires a supplementary flame and an additional control module which measures the rate of flame spread simultaneously both vertically and horizontally.

Because of its modular construction the tester can provide data about all aspects of a fabric's flammability behaviour, while it may, in a simpler context, allow for effective checks of "burn/non-burn" to be made by dyers and finishers with a minimum of delay, but with reliability.

INDUSTRIAL ADVERTISING
KINNAIRD
RW Kinnaird + Co Ltd

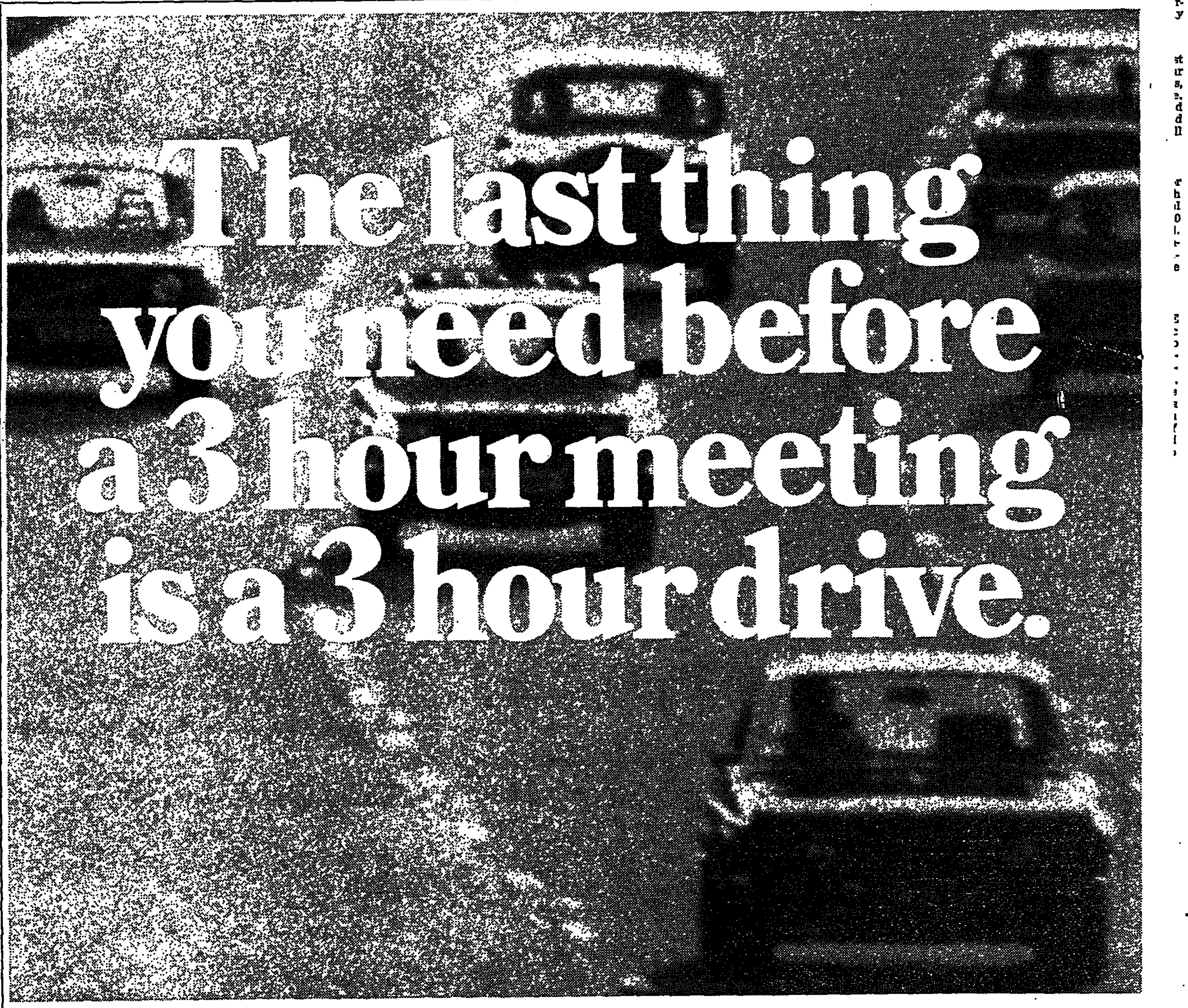
● SERVICES

Special designs on glassware

BECAUSE GLASSWARE manufacturers have decreed minimum order requirements, advertising and promotional glassware has been restricted to larger organisations. A company says that it can now offer commemorative glass items in very small quantities—and is prepared to produce a special one-off — due to its process called Seriverre.

This involves screen printing a design, company logo, etc., directly into the glass and uses enamels which are set into the material thus allowing the glass surface to retain its smoothness and lustrous appeal.

Medium-sized organisations can order glassware in moderate quantities which carry their own artwork or designs specially prepared for them by a panel of artists working at the studio of Pettis Studio Glass, Adams Pool, Chedworth, Cheltenham, Glos. (01-868 3784).



WHY NOT LEAVE THE DRIVING TO US?

Inter-City trains speed direct from city centre to city centre, regardless of the weather, heedless of traffic jams, at top speeds of up to 125 mph. And you don't have to park them.

They leave frequently at times that fit neatly into your schedule.

And for meetings scheduled for the crack of dawn, an Inter-City Sleeper is the answer.

IF YOU'RE STILL SET ON STEAMING UP THE MOTORWAY, READ ON.

We offer air-conditioned coaches on many routes. Individual seats with room to relax. You can catch up with the news. Prepare for your meeting. Have a bite and a cuppa and get your head together.

No stress. No tension. And you can have a drink for the road after your meeting with impunity.

Next time you take to the road, take the rail road. It's got to be good for business.

WHAT'S MORE...

You can have a Godfrey Davis car waiting for you at the Rail Drive office when you arrive if you need one. Stay in a British Transport Hotel. Or link up with Sealink or Seaspeed services.

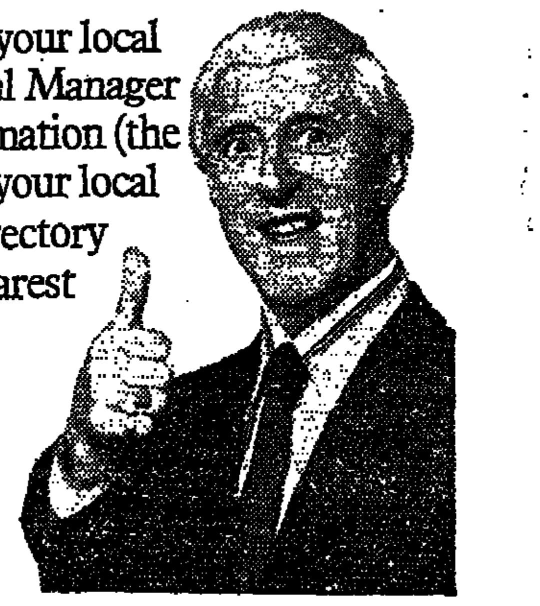
And you can do it all on account. A Rail Account Order makes travel administration easy for you and your company.

You can control costs. And have up to 25 days credit, interest-free on British Rail services.

Over 7,000 firms make use of the Rail Account Order scheme.

Does yours?

Contact your local BR Divisional Manager for full information (the address is in your local telephone directory or at your nearest station).



This is the age of the train

THE PROPERTY MARKET BY MICHAEL CASSELL

Aquis sells biggest asset to Matheson

AQUIS SECURITIES is selling Atlas House in London's Cheapside—accounting for over half the company's total property investment portfolio — for £9.25m cash to Repbeach, a subsidiary of Matheson, the shipping to insurance group.

For Matheson, in turn a subsidiary of Hong Kong trading group Jardine Matheson, the deal represents a return to the property market after its sale last year of Reunion Properties to Hammerson for £42.3m cash. More of the proceeds could yet be involved in other property purchases.

The decision by Aquis, the property investment and development group which last year recorded a fall in pre-tax profits from £520,000 to £394,000, has created considerable surprise in view of the historic importance of Atlas House to the company.

Purchased in 1972 for £8.5m from Guardian Royal Exchange, the building is now—with a property collapse in between—in the books at £5.25m. Last year it brought in £445,000 in rental income.

More significant, however, is the potential of the 40,000 sq ft building where the lease falls due in September 1981. Last year, Aquis received full planning consent for a refurbishment scheme and there were clear hopes of a big boost in rental income and an uplift in asset values per share.

But Aquis, in which GRE holds a 65 per cent interest, has decided on another course of action and the reasoning behind its move will be set out in a shareholders' circular due out today. An extraordinary general meeting to approve the sale will be held at the end of this month.

Mr. John Bateman, Aquis managing director and a former GRE man, said yesterday that the group believed Atlas House gave it a disproportionate part of its portfolio in the City (which some might see as a laudible weakness) and that the company had to contemplate heavy expenditure to bring the property up to date.

"I am afraid that although the building, parts of which date back a very long way, looks fine externally, a great deal needs to be done iside and the costs involved will be very substantial," Mr. Bateman added.

The question of what Aquis will do with the cash raised by the sale remains uncertain. There does not seem to be any particularly pressing reason for such an exercise and the funds seem likely to be spread between new developments and investment deals.

As for GRE, it is clearly supporting the Cheapside deal and, despite suggestions that the move could trigger off some form of reorganisation of interests, the likelihood is that the insurance group's position will remain substantially unchanged.

Pru goes to Leeds

THE PRUDENTIAL is to forward fund, at a cost of £5m, the first two phases of a planned £12m development in the centre of Leeds.

These will provide 33,150 sq ft of offices at Coverdale House, 13-15 East Parade, due for completion in December this year, and a further 44,450 sq ft of offices at Lonsdale House, also in East Parade, due for completion March 1981.

Project managers are Landmark Development Consultants and Abacus, a subsidiary of Sir Robert McAlpine, are the developers. Joint letting agents Bernard Thorpe and Strutt and Parker say that an asking rent of £5.50 a sq ft will be sought for both schemes.

The freehold of the sites is owned by the City Council and a 125-year lease, presently held by Abacus, will pass to the Pru on completion. Three further developments — providing a further 100,000 sq ft of offices —on adjacent sites are planned by Abacus and Landmark but funding has still to be arranged. These are not due for completion until 1983-84 at the earliest.

The central Leeds office market has over the past decade shown a stability which compares well with other major provincial markets. Rents have moved steadily upwards over the decade punctuated by periodic plateaus rather than reversals—in marked contrast to the boom and bust record of cities like London, Manchester and Birmingham.

ANDREW TAYLOR

Final curtain in the South Bank show

ANNOUNCEMENTS on the future of London's two controversial South Bank development sites appear only days away and those who stalk the corridors of power say that while the European Ferries scheme will be approved, neither Commercial Properties nor Greycoat London Estates will be so lucky.

Reports from planning inquiry inspectors which have for some time been with Mr. Michael Heseltine, Secretary for the Environment, are understood to have given the go-ahead to the 300,000 sq ft office and apartments complex planned by Euro-Ferries for the south side of Vauxhall Bridge.

Mixed schemes put forward by Commercial Properties and Greycoat London Estates, involving the Coin Street site which stretches along the south bank between Waterloo and Blackfriars bridges, are believed, however, to have been turned down.

There is no guarantee that Mr. Heseltine will accept his inspectors' recommendations (a vociferous lobby of Conservative MPs opposed to the irrevecably if incorrectly dubbed "green giant" scheme at Vauxhall might well mean the Minister would prefer to see the outcome swapped and there are indeed suggestions he has asked for briefs to support such a reversal). It nevertheless seems unlikely that the recommendations will be overturned at this stage.

Approval of European Ferries' ambitious scheme, which MPs of every persuasion could watch taking shape across the river, would vindicate its decision last year to call for a public inquiry in a move to cut short protracted negotiations with Lambeth Council. Euro Ferries, chaired by Keith Wickenden, who also has a plot on the north side of the Thames in his capacity as MP for Dorking, believes the profit potential for the scheme is enormous and claims to have several big tenants already lined up.

As for Coin Street, a refusal to allow the large-scale commercial schemes put forward at last year's marathon inquiry (could London Weekend Television's comparatively limited plans scrape through?) will presumably help pave the way for the much-cherished plans of local community groups who, with the support of Lambeth Council, say such sites should provide homes and not offices.

Watched

Whatever the outcome, events will no doubt be closely watched by The Proprietors of Hays Wharf, which wants to redevelop 25 acres of south bank between Tower Bridge and London Bridge. It hopes, however, that in dealing with Southwark planners — who have indicated they are not opposed in principle to office schemes where planning gains are also involved—it will have a much easier ride.

Another interested observer will be Stuart Holland, Labour MP for Vauxhall, who is the first to accept that he is unlikely to be nominated for any awards by developers unless they devise an "outstanding nuisance" category.

Mr. Holland wears such unpopularity easily and at the Coin Street inquiry gave evidence in support of the plans put forward by local community groups. He has subsequently and enthusiastically pursued an anti-office development campaign, not only in respect of his own constituency but in terms of London as a whole. The capital, he says, desperately needs housing while there is no proven need for a major expansion in office space.

Mr. Holland does admit that, if permission were given, developments at both Coin Street and Vauxhall may find tenants but he claims that the development industry, by its failure to detect a fundamental shift in the type and pattern of demand for office space, is heading for another disaster.

Mr. Holland dismisses suggestions that the development industry, in the absence of a significant level of speculative activity, is now much less exposed and claims that, whatever the developers say, there is a building boom now under way in London. "I am not saying there is an oversupply of office space but there is a definite trend towards it, with as much as 10m sq ft of new accommodation either planned or under way.

"What the industry has not seemed to grasp is that we are no longer talking about swings in a cyclical industry which have traditionally brought booms and crises. It appears to be ignoring the continuing trend to decentralise from London because of the high costs involved and mounting employee resistance to commuting and perhaps more importantly, has failed almost totally to appreciate the impact which new technology is certain to have on office employment."

Mr. Holland says that, in addition, the total cost of providing new office space in central London are becoming prohibitive—not simply from the developer's point of view but for the community as a whole.

"People invariably mention the rate income generated by a new scheme but the public expenditure per head on overhead capital and services for offices can be immense and can easily offset any income in that direction.

"The fact is that whether you talk about social costs or likely levels of demand for future space no-one appears to have made any efforts to think it through. It is scandalous that everything can apparently be left so readily to market forces but on that basis alone I believe the central London office scene could be heading for serious trouble.

"It is all very well to take to a short-term view if as a developer or contractor you are in and out of a project but those involved in funding and looking for a long-term source of rents, profits and dividends must adopt a different approach. The prospects warrant a much closer examination than in the past, when a good office block in central London was automatically assumed to be a good investment."

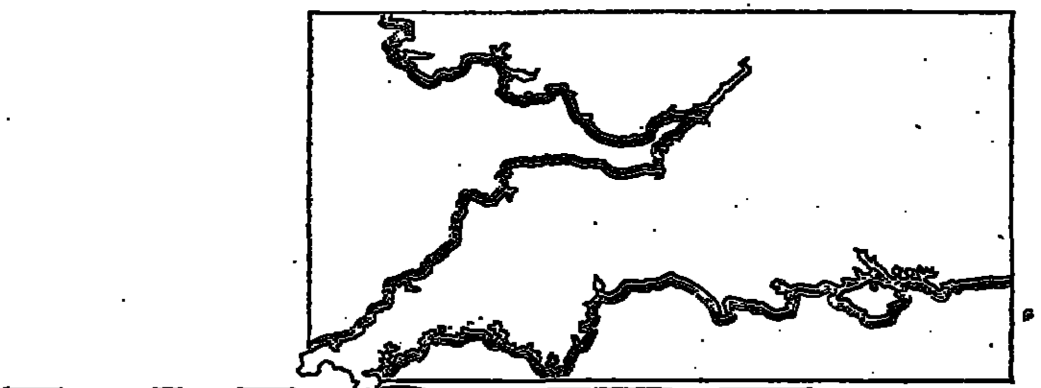
IN BRIEF

SLOUGH ESTATES has acquired an 8 acre site near Hanover airport in West Germany where it plans a 200,000 sq ft mixed industrial and office development. Total cost of the scheme is estimated at between £4m and £5m, including land purchase. Work on a first phase of 96,000 sq ft is expected to be completed this Autumn. Weatherall Green and Smith are letting agents.

● Strathclyde Regional Council Superannuation Fund has, through Richard Ellis, paid £2.3m for a shop unit with 12,055 sq ft of retail space in the first phase of Lincoln's new Cornhill shopping development. Vendors of the store, let to W. H. Smith on a 30-year lease at a current £72,500, were Lincoln Corn Exchange and Market, represented by Healey and Baker.

● Bernard Thorpe has let 700,000 sq ft of industrial space in Antwerp in the first five months of this year compared with its own earlier forecast of 650,00 sq ft for the whole of 1980. In the latest deal 200,000 sq ft has been let to Concordia Mail, a postal company. A rental of only 45p a sq ft—even though this is an older building—shows that the Antwerp industrial market has still some way to go before the corner is turned.

● Estates and General Investments are to develop a £2.5m mixed industrial and warehouse scheme providing 61,000 sq ft of space at Simonds Road, Leyton, E10.



LALONDELAND
BUY, SELL, LEASE, RENT, INVEST, EXPAND, DEVELOP...
Or just explore.

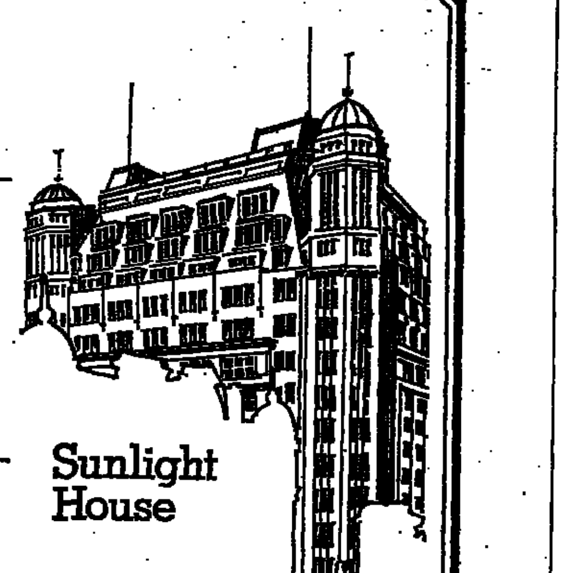
Lalondeland. Our home ground. High Streets or byways, city centres or suburbs, town or country. For offices or shops, factories or houses, old and new. We cover the width and breadth of the South West, and have experience in depth of every kind of commercial and industrial property.

LALONDE BROS & PARHAM
The Property Agents
64, Queen's Road, Bristol BS8 1RH
Tel: 0272-290731
Also at Weston-super-Mare, Bridgwater and Exeter

MI&S INDUSTRIAL
MODERN SINGLE STOREY DEPOTS
Available at
LIVERPOOL
Derby Road 21,000 sq.ft.
MANCHESTER
Sherborne Road 15,850 sq.ft.
PRESTON
Wellfield Road 11,400 sq.ft.
SHEFFIELD
Cyclops Street 11,500 sq.ft.
STOKE-ON-TRENT
Poulson Street 8,900 sq.ft.
All enquiries to
MATTHEWS GOODMAN & POSTLETHWAITE
LONDON LIVERPOOL & PARIS
051-236 8732 4 WATER ST LIVERPOOL L2 3SP

(K) for Industry
ASHFORD, KENT
Modern Office, Showroom, Warehouse Building
37,000 sq. ft.
TO LET
CHELMSFORD
20,500 sq. ft. (may divide)
Warehouse (or light industrial)
TO LET
DUNSTABLE
6,500/10,900/17,500 sq. ft.
New Warehouse/Factory Units
Occupation September 1980
TO LET
KEW/RICHMOND
Refurbished Warehouse/Factory Units
4/35,000 sq. ft.
TO LET
LONDON, E16
Substantial Factory Premises
17,000 sq. ft.
FREEHOLD FOR SALE
OR WOULD LET
PARK ROYAL, NW10
Single-Storey Warehouse
10,800 sq. ft.
TO LET
RUSHDEN
85,500 sq. ft.
On 7.38 acres
Modern Single-Storey Factory
FOR SALE FREEHOLD
TAUNTON
4,350-21,750 sq. ft.
Factory/Warehouse Units
Under Construction
TO LET
King & Co
Chartered Surveyors
1 Snow Hill, London, EC1
01-236 3000 Telex 885485
Birmingham · Leeds · Manchester · Brussels

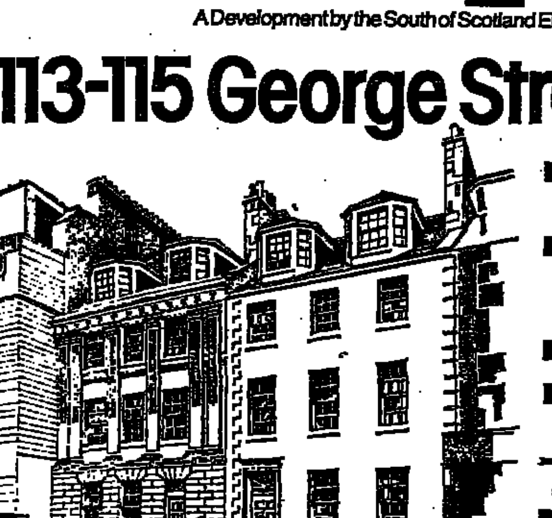
Manchester City Landmark
Office Building
220,000 sq ft
For Sale
Opportunity for Imaginative Refurbishment Scheme For Phased Occupation



Sunlight House
EDWARD SYMMONS & PARTNERS
56/62 Wilton Road London SW1V 1DH Tel: 01-834 8454
515/516 Royal Exchange Manchester M2 7EN Tel: 061-832 8494
Telex: 8954348

COMMERCIAL AND INDUSTRIAL PROPERTY
Appears every Friday

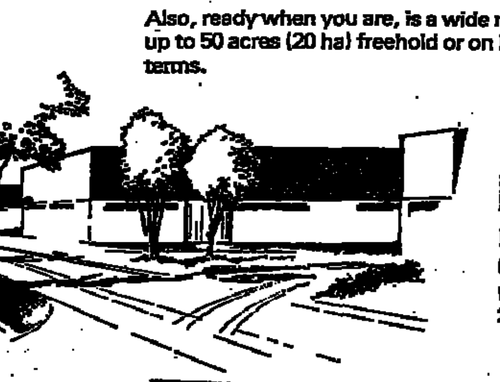
A Development by the South of Scotland Electricity Board Pension Fund
113-115 George Street Edinburgh



- Self-contained office suitable for prestige Headquarters Building.
- 16,943 Sq. Ft. available on basement, ground and 4 upper floors.
- Private Car Park.
- May subdivide to provide suites from 1,800 Sq. Ft.

To Let
Richard Ellis
Chartered Surveyors
75, Hope Street, Glasgow G2 6AJ
Telephone 041-2041931

Ready when you are!
Factories in Northampton
Brackmills — Available now
2 units of 4890 sq ft (454 sq metres)
1 unit of 12 500 sq ft (1160 sq metres)
Moulton Park — Available now
31 units of 1000 sq ft (93 sq metres)
6 units of 3488 sq ft (324 sq metres)
2 units of 13 452 sq ft (1250 sq metres)
Brackmills — Available from November 1980
9 units of 4885 sq ft (454 sq metres)
8 units of 12 880 sq ft (1197 sq metres)
4 units of 19 236 sq ft (1788 sq metres)
Also, ready when you are, is a wide range of sites up to 50 acres (20 ha) freehold or on leasehold terms.



expanding NORTHAMPTON
L Austin-Crowe
0604 34734
Northampton Development Corporation
2-3 Market Square, Northampton NN1 2EN

LEWISHAM
SE.13.
Mainly Single Storey
Industrial Premises
192,000 SQ. FT.
ON 6.1 ACRES
For Sale Freehold
HENRY BUTCHER
LEOPOLD FARMER
Brownlow House, 50/51 High Holborn
London WC1V 6EG Tel: 01-405 8411

STOCKWELL ROAD, SW9
OFFICE AND SINGLE STOREY INDUSTRIAL COMPLEX FOR SALE
(or will Let)
19,600 sq ft approx., plus large yard
Price £275,000
Apply to:
Davis Woolfe & Co.
6 Paddington Street, London, W1 - 01-486 3621

FACTORY WANTED
AVON/WILTS
Approx. 75,000 sq. ft. industrial use.
Approx. 12,000 sq. ft. ancillary offices
Some space for expansion.
Prefer to Lease.
Details please to Retained Surveyors
BRENDONS
1/3 Ashbourne Parade, Ealing, London, W5. Tel: 01-998 2711.

BY DIRECTION OF NATIONAL WESTMINSTER BANK LTD.
65-67 High Street
EXETER
Banking and Office Building
Prominent City Centre position,
Totalling 9,159 sq ft.
FREEHOLD FOR SALE BY AUCTION, 10th JULY, 1980.
FOX & SONS
Commercial Department,
22 Cathedral Yard, Exeter.
Tel: (0392) 51571.

VICTORIA

12,000 SQ. FT. OFFICES

Ready Now Will Divide

Letting Agents:
SILVERT LINCH & CO.
Moore House, Gilbert Street,
London W1Y 1RB

TEL: 01-629 0938

Factories and warehouses

3,000 to 40,000 sq. ft.,
from £1.50 sq. ft.

Sites up to 50 acres

Skilled labour available.
Housing for new and existing staff.

Ring Bob Tilmouth
0952 613131

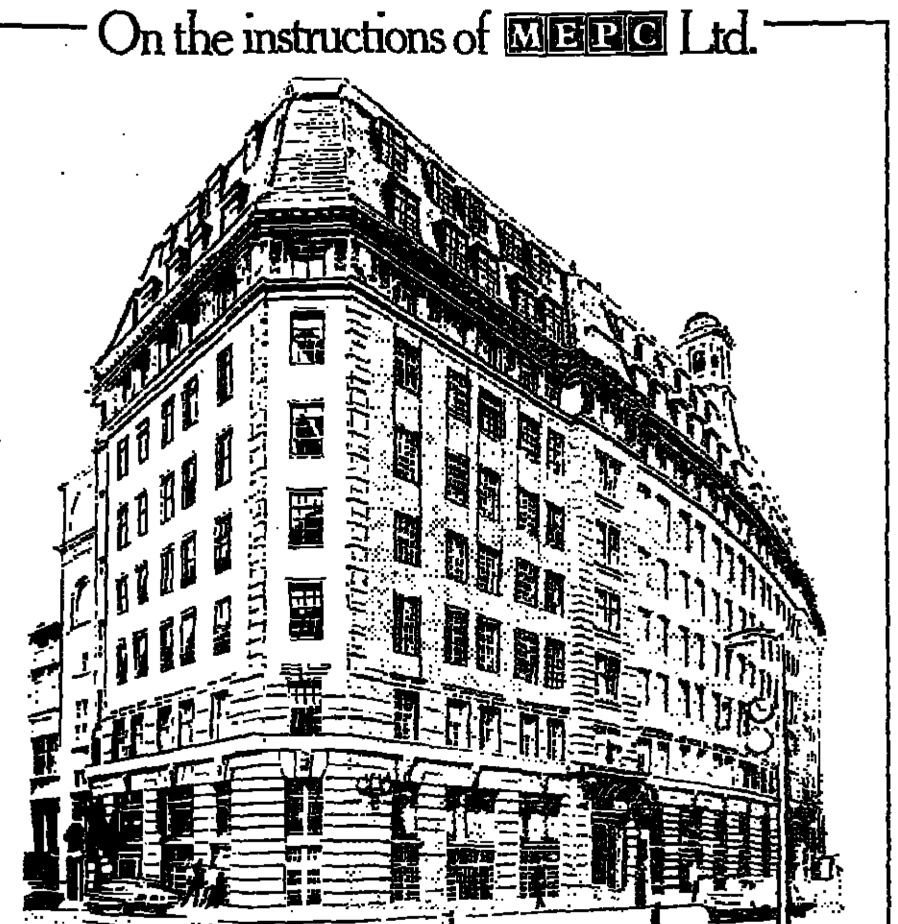
Telford Development Corporation, Priorslee Hall, Telford, Shropshire. TF2 9NT

Telford

The space, the people, the place for growing companies.

TDC208

On the instructions of MEPC Ltd.



Dorset House
Stamford Street SE1.

94,000 sq. ft. (approx) Freehold Office Building
Refurbishment – Occupancy – Investment
For Sale by Informal Tender.

Sole Agents
Jones Lang Wootton
Chartered Surveyors
33 King Street London EC2V 8EE 01-606 4060

Lawrence Rd
Tottenham N15

New Industrial/ Warehouse Unit
18,890 sq. ft.

TO LET

Immediate Occupation

clive lewis & partners
16 Stratton Street
London W1
Telephone: 01-499 1001

Richard Ellis
Chartered Surveyors
6/10 Bruton Street
London W1X 8DU
Telephone: 01-408 0929

St. Martins Industrial Estate
Bedford

NEW WAREHOUSES/ FACTORIES

Phase I 10/73,500 sq. ft.
Available July 1980

Phase II 40,000 sq. ft.
Fronting Main Road.
Tenants requirements can be incorporated at this stage.

TO LET

A DEVELOPMENT BY THE ST. MARTINS GROUP

Chamberlain & Willows
Estate Agents · Surveyors · Valuers
01-882 4633
Hale House Green Lanes London N13 5TG Telex: 299161

FREEHOLD
OR TO BE LET

CARDIFF CLOSE CITY CENTRE
4/16,000 SQ. FT.
SHOWROOM/OFFICE/WORKSHOP

MELLERSH & HARDING
CHARTERED SURVEYORS
43 St. James's Place
London SW1A 1PA
Tel. 01-493 6141

FOR SALE
Approx. 4.5 acres
Metro Toronto (Area)—Canada
Valuable North-East corner property.
Steeles Ave. and Dufferin Street.
Strategically located—close to major autoroutes.
Principals only contact:
M. A. Moffat, President,
FISHERVILLE PROPERTIES LTD.,
c/o Suite 2600, 390 Bay Street,
Toronto, Ontario, M5H 2Y2, Canada.

FLORIDA—Building over 1,200 m² floor space, sale or rent light ind. w/house & town St. Petersburg, Fla., U.S.A. J. H. Bonk 8339 Holkirchen Hochfeld 6, W. Germany.

DUBLIN—City centre offices to let with phones, services and telex. Write Box T.5276, Financial Times, 10, Cannon Street, EC4P 4BY.

SUPERB OFFICE BUILDING
MAYFAIR

49 Upper Brook Street W1

5,400 SQ. FT.

LEASE FOR SALE
Telephones and Telex

LEWIS & TUCKER
16 Hanover Square W1
01-629 5101

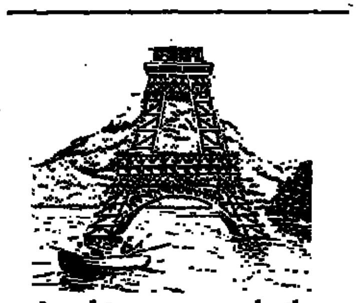
Cluttons
74 Grosvenor Street W1
01-491 2768

Mayfair Offices
To Let.

2373 sq. ft.

- Air Conditioning
- Fitted Carpets
- Passenger Lift
- Period Building

Vigers
CHARTERED SURVEYORS
4 FREDERICK'S PLACE
LONDON EC2R 8DA
01-606 7601



Anything you want built, anywhere in Scotland
contact
Gilbert Ash
041-248 2511
Pegasus House, West George Street, Glasgow

WALKER WALTON HANSON

Chartered Surveyors
NOTTINGHAM
Byard Lane. Tel: 54272
MELTON MOWBRAY
Wilton Lodge, Wilton Road
Tel: (0664) 67555
MANSFIELD
45 Stockwell Gate. Tel: 35427
Telex: 378157 HANSON G

NOTTINGHAM
RUDDINGTON HALL

Suitable for a variety of commercial purposes
FLOOR AREA 11,500 SQ. FT.
SITE AREA 8.154 ACRES
FREEHOLD VACANT POSSESSION
FOR SALE BY TENDER

BOURNEMOUTH-HURN AIRPORT
TO LET

INDUSTRIAL DEVELOPMENT SITE

76 acres with outline planning consent.

Details from Dorset County Council Valuer's Department
Town Hall Annexe, St. Stephen's Road, Bournemouth
Tel: Bournemouth (0202) 292366 Ext. 457 (Mr. Rose)

ADVERTISEMENT

AVON

BRISTOL
Adler, Stanley & Price, 7 St. Stephens Street BS1 1EG. Tel.: Bristol (0272) 299151.

BEDFORDSHIRE

Stimpson Lock & Vince, 27 King Street, Luton. 0582 421941.
Kilroy, Estate Agents. 50 St. Loyes, Bedford. Telephone (0234) 50852.

BERKSHIRE

READING
Buckell & Ballard, 43 Market Place, Reading. Tel: (0734) 57341.

CAMBRIDGESHIRE

CAMBRIDGE & SURROUNDING AREAS
Douglas L. January & Partners, 7/8 *Downing Street, Cambridge.* Tel: (0223) 63921. Estate Agents, Surveyors, Valuers, Land Agents and Auctioneers of all types of Residential, Industrial, Commercial and Agricultural properties. Branches at Royston, Newmarket and Saffron Walden.

ESSEX

ALL ESSEX
Bairstow Eves, 75 High Street, Brentwood (0277) 226222.

BARKING
Glenny (A.) & Son, Chartered *Surveyors, 53 East Street. 01-594 3017.*

SAFFRON WALDEN & SURROUNDING AREAS

Douglas L. January & Partners, 7 King Street, Saffron Walden. Tel: (0799) 21176. *Estate Agents,* Surveyors, Valuers, Land Agents and Auctioneers *of all types of* Residential, Industrial, Commercial *and Agricultural properties.*

SOUTHEND-ON-SEA
BENFLEET
Bradleys Estate Agents, *Valuers &* Surveyors, 107 High Street, Benfleet, Essex.
Watson, Temple, Talbot & White, Chartered Surveyors, 34 Clarence St. Tel: (0207) 330717.

GLOUCESTERSHIRE

Powell and Powell, Chartered *Surveyors,* Commercial and Industrial Specialists, 37/41 Clarence Street, Gloucester GL1 1EA. Tel: 36444 also at Cardiff 27666.

CHELTENHAM & DISTRICT
Lawson & Lawson, Chartered *Valuation Surveyors* & Estate Agents, 3 Regent Street, Cheltenham GL50 1HF. 0242 21677/9.

HAMPSHIRE

SOUTHAMPTON, PORTSMOUTH
Hall Pain & Foster, Chartered Surveyors, Valuers, Estate Agents, 39 *London* Road, Southampton. (0703) 28915.
L. S. Vail and Sons, Chartered Surveyors, Commercial Premises Department, 18 High Street, Fareham. *(0329) 285811.*

HERTFORDSHIRE

Stimpson Lock & Vince, 9 Station Rd., Watford. 0923 37711.

HEMEL HEMPSTEAD
R. J. Aitchison, Chartered Surveyors, 63 Marlowes, Hemel Hempstead 3446.

LETCHWORTH, HITCHIN AND STEVENAGE
Hendales, Industrial Dept., 44 Broadway, *Letchworth* 3773. Hitchin 59643. Stevenage 53309.

ROYSTON & SURROUNDING AREAS
Douglas L. January & Partners, 2/3 Fish Hill, Royston. Tel: (0763) 42921. *Estate Agents, Surveyors.* Valuers, Land Agents and Auctioneers of all types of Residential, Industrial, Commercial and Agricultural properties.

WATFORD
Gordon Hudson & Co., 147 The Parade, Watford 39711 (10 lines).

KENT

ASHFORD
Burrows & Day, Chartered Surveyors, and Estate Agents, 39/41 Bank Street. Tel: Ashford (0233) 24321.

BROMLEY & DISTRICT
Baxter Payne & Lepper, Chartered Surveyors, 19 East Street. 01-464 1181.

DARTFORD
Prall Champion & Prall, Chartered Surveyors, Auctioneers and Estate Agents, 76 Spital Street. Tel: 28891.

CANTERBURY
Geering & Colyer, Chartered Surveyors, 37a St. Margaret's St. Tel: (0227) 57253.

MAIDSTONE
Geering & Colyer, Chartered Surveyors, 6 Colman House, King Street, Maidstone. Tel: (0622) 59891. 22/24 High Street, Tunbridge Wells. Tel: *(0892) 25136. Bank Street,* Ashford. Tel: (0233) 24561.

TUNBRIDGE WELLS
Geering & Colyer, Chartered Surveyors, 22/24 High Street, Tunbridge Wells. Tel: (0892) 25136.

LANCASHIRE

MANCHESTER
Leslie Roberts Chartered Surveyors, Valuation, Disposal, Advice and *management* of Com. & Ind. Properties. Queen's Hse., Queen St., Man. M2 5LA. 061-832 5348.

PRESTON
Derrick, Wade & Waters, Unicentre, Lords Walk, Preston, *Lancashire* PR2 1DH. Telephone 57758. Commercial, Industrial development, investment and letting specialists throughout the UK *in conjunction with Harlow office.*

LEICESTERSHIRE

LEICESTER
Jarroms, 8 Peacock Lane, Leicester, 52111. P.A.I. members.

MELTON MOWBRAY

Walker Walton Hanson, Chartered Surveyors, *Estate Agents, Auctioneers,* Commercial and Industrial Property, 1 Wilton Road, Melton Mowbray, Leicestershire. Tel: (0664) 67555.

LINCOLNSHIRE

Brogden & Co., Char. Survys., Estate Agents, Silver Street, Lincoln. 0522 3132.

LONDON

CITY
Noel Alexander & Partns., Property Advisers to Banks, 70 Queen Victoria St., EC4. 01-248 2258.
Bairstow Eves, Provincial House, 218/226 Bishopsgate, London EC2M 4QD. Tel: 01-377 0137.
Chestertons, Chartered Surveyors and Estate Agents, City, Holborn, and Decentralised Offices, 28 Queen Street EC4R 1BB. 01-248 5022.
City Agents, Off. Spec., 4 & 6 Copthall Ave., Moorgate, EC2. 628 4200.
Collier & Madge, Chartered Surveyors and Property Consultants, 5 St. Bride Street, London EC4A 4DE. 01-353 9161.
Conrad Ritblat & Co., Consultant Surveyors and Valuers, Plantation Hse., Fenchurch St., EC3. 01-623 9116.
Hampton & Sons, Skinners Hall, 9 Dowgate Hill, London EC4. 01-236 7831.
Michael Kalmer & Co., Chartered *Surveyors and Industrial Property* Specialists, 181 Queen Victoria Street, EC4. 236 6871.
J. Trevor & Sons, Estate Agents, Surveyors and Valuers, 85 London Wall, EC2. 01-628 0735. Also Mayfair and Manchester.

WEST CENTRAL

Lander Burfield, Chartered Surveyors, 75 Shoe Lane, Fleet St., London EC4A 3BQ. Tel: 01-353 7841. Telex: 23862.

Robert, Irving & Burns, Office, Com. & Ind. Specialists, 23-24 Margaret St., W1N 8LE. 01-637 9821.
Bradleys Estate Agents, Valuers & Surveyors, 27 James Street, London W1.
Chestertons, Chartered Surveyors and Estate Agents, West End Offices, Factories, Warehouses, etc., 75 Grosvenor Street, W1X 1LB. 01-499 0404.
Conrad Ritblat & Co., Consultant Surveyors and Valuers, Milner House, 14 Manchester Sq., W1M 6AA. 01-935 4499.
Harrison & Partners, Office Specialists, 57 Blandford St., W1H 3AF. 01-486 8121.
Harron & Partners, 30a Sackville St., W1. Tel: 437 2781.
Meadow Schama & Company, 79a Park Street, W1. 01-493 8892.
Reiff Diner & Co. (Office and Commercial Property Specialists), 179 New Bond Street, W1Y 9PD. 01-491 3154.
Ian Scott & Co., Estate Agents and *Surveyors,* Berkeley House, 20 Berkeley Street, London W1. 01-493 8911.
Smith, Melzack, Surveyors, Valuers and Estate Agents, 17/18 Old Bond *Street, W1. Tel: 01-493 1613.*

SOUTH WEST
James Andrew & Ptnrs., Consultant Surveyors and Estate Agents, 62 Pall *Mall, London SW1Y 5HZ 01-839 4436.*
Hampton & Sons, 6 Arlington Street, London SW1. Tel: 01-493 8222.

NORTH
Michael Berman & Co., Shop, Office & Industrial Specialists, 358 Regent Park Road, Finchley, N3. 01-349 9211.

MERSEYSIDE

LIVERPOOL
*Ramsey Murdock & Partners, Com*mercial, Property and Investment Valuers, Derby House, Exchange Flags, Liverpool. 051-236 1448.
R. F. Spark & Co., 9 Queen Ave., Dale St., Liverpool L2 4UZ. Tel: 051-236 0665.
Riding & Co., Industrial and Commercial Property Consultants, Estate *Agents and Valuers, 2nd Floor,* Martins Buildngs, 4 Water Street, Lverpool L2 3SP. Tel: 051227 3314/5.

MIDDLESEX

HEATHROW
*Rogers, Chapman, Industrial, Com*mercial, Surveyors and Property Consultants, The Lodge, Harmondsworth, West Drayton. 01-759 0966.

HARROW
Arthur Payne & Co., Commercial Property Agents. 01-863 6797/9761.

HOUNSLOW
Horne & Sons, Chartered Surveyors, 181 High Street. Tel: 01-570 2244.

STAINES
Richard Brampton & Co., Surveyors, *Agents and Valuers, 25 Windsor Road,* Wraysbury. Tel: Wraysbury 2288.
Emmitt Rathbone, Commercial, 15 *Clarence Street, Staines. Tel: 59321.*

NORFOLK

The A. G. Ebbage Partnership, Exchange Street, Norwich. Tel: (0603) 29971. Telex: 97372. Commercial and Industrial Surveyors. Residential Agents. The AGE of Property Expertise covering East Anglia to the City of London.

NORTH EAST

Storey Sons & Parker, Chartered Surveyors, Newcastle 0632 26291. Middlesbrough 0642 248301. Stokesley 0642 710583. Morpeth 0670 57393.

NOTTINGHAMSHIRE

MANSFIELD
Walker Walton Hanson, Chartered Surveyors. Estate Agents, Auctioneers, Commercial and Industrial Property, *45 Stockwell Gate, Mansfield* (0623) 35427.

NOTTINGHAM
Cavanagh William H. Brown, Rent Reviews, Valuations, Acquisitions, Sales, Lettings, 92 Friar Lane, Nottingham. Tel: (0602) 40747. Also at Newark, Grantham, Leicester, Lincoln, *London.*
Hallam Brackett & Co., Chartered Surveyors. For advice on all types of commercial and industrial property throughout Nottingham and the East Midlands, 8 Low Pavement, Nottingham NG1 7DR. Tel: (0602) 51414. Telex: 37273.
Walker Walton Hanson, Chartered Surveyors, Estate Agents, Auctioneers, Commercial & Industrial Property, 5 Byard Lane, Bridlesmith Gate, Nottingham (0602) 54272.

OXFORD

OXFORDSHIRE

OXFORD
Buckell & Ballard, 58 Cornmarket St., *Oxford. Tel: (0865) 40801 & 15 Offices.*

SUFFOLK

BURY ST. EDMUNDS, EAST ANGLIA
Lacy Scott, Commercial, Agricultural and Residential Surveyors and Auctioneers, 3 Hatter Street (0284) 63531.

NEWMARKET & SURROUNDING AREAS
Douglas L. January & Partners, 124 *High Street, Newmarket. Tel: (0638)* 5731. Estate Agents, Surveyors, Valuers, Land Agents and Auctioneers of all types of Residential, Industrial, Commercial and Agricultural properties.

SURREY

GUILDFORD
Cubitt & West, Commercial Surveyors, 44 High Street, Guildford. 0483 77277 or 60565. 18 offices in Surrey, Sussex *and Hampshire.*

WOKING
David Smithyes Partnership, Commercial Consultants, 1 West Street, Woking. Tel: Woking 65666.

SUSSEX

Clifford Dann Commercial, Chartered Surveyors, Albion House, Lewes (07916) 4375. (Six local offices).

Stiles, Horton, Ledger, *Surveyors,* 6 Pavilion Buildings, Brighton. Tel: 25161, and at Hove 720771, Eastbourne 36244, Worthing 37992 and Crawley 516661.

Geo. White & Co. (Commercial Department), 28/29 Ship Street, Brighton. 0273 21961 (6 local offices).

CRAWLEY
Philip James Associates, 6 Brighton Road (0293) 21156.

HAYWARD'S HEATH
Geering & Colyer, *Chartered* Surveyors, 133 South Road, Hayward's Heath. Tel: (0444) 57311.

HORSHAM
King & Chasemore (Commercial), *Carfax, Horsham. Tel: (0403) 64441.*

WILTSHIRE

Buckell & Ballard, 106 Commercial Road, Swindon. Tel: (0793) 44511.

WALES

Powell & Powell, Chartered Surveyors, Commercial and Industrial Specialists, 6-7 St. John's Square, Cardiff CF1 2SB. Tel: 27666, also at Gloucester 3644.

BRIDGEND
David E. Little Ptnrs., Chart. Survys., 36a Caroline St., Mid Glam. (0656) 53445.

TYWYN GWYNEDD
Fisher Arblitt & Co., Auctioneers, *High Street LL36 9AD. (0654 710388).*

YORKSHIRE

SHEFFIELD
T. Saxton & Co., Chartered Surveyors, *Estate Agents and Valuers, 53 Queen* Street, Sheffield. Tel: 77635 and 10 The Crofts, Rotherham. Tel: 77179; New Office: 31 Market Place, Retford. Tel: 704748.

Eadon Lockwood & Riddle, Chartered Surveyors, Property Consultants, Sales and Advice in connection with *Commercial &* Industrial Properties, Portfolio, Property Management, Investment, 6a Campo Lane, Sheffield S1 2EF. Tel: 71277. Telex: 547490 ELR.

SCOTLAND

ABERDEEN
Burnett (F. G.), Chartered Surveyors, *Valuers & Estate Agents,* 33 Albyn Place, Aberdeen AB9 8SA. Tel: (0244) 572661.
James R. Thomson (Properties) Ltd., *23 Crown Street, Aberdeen AB1 2HA.*
Webster & Co. (Chartered Surveyors), 80 Union St., AB1 1BB (0224) 52687/8.

EDINBURGH
Hillier Parker May & Rowden, 5 Charlotte St., South Edinburgh. Tel: *031-225 5988.*
Kenneth Ryden & Ptnrs., 71 Hanover St., Edinburgh. Tel: 031-225 6612.

GLASGOW
Kenneth Ryden & Partners, 121 West George St., Glasgow. Tel: 041-221 8591.
Webster & Co., 21 West Nile St., Glasgow. Tel: 041-204 0771.

PLANT & MACHINERY

Airey Entwistle, 28/34 *Cross* Street, Manchester M2 7AQ. Tel: 061-834 9177.

Bairstow Eves, Valuers and Auctioneers of Plant and *Machinery and Trade Stocks* throughout the U.K., Provincial House, 218/226 Bishopsgate, *London EC2M 4QD. Tel: 01-377* 0137.

Frank G. Bowen Limited (Est. 1824). Specialist Auctioneers and Valuers of Machine Tools, Textile *Machinery, Trade Stocks, etc., in* the U.K., 15 Greek Street, Shaftesbury Avenue, London W1V 0NY. Tel: 01-437 3244.

Henry Butcher & Co. Inc. Leopold *Farmer & Sons, Auctioneers &* Valuers, Brownlow House, 50/51 High Holborn, London WC1V 6EG. Tel: 01-405 8411. Also at Birmingham and Leeds.

Colebrook, Evans & McKenzie, 5 Quality Court, Chancery Lane, London WC2A 1HP. Tel: 01-242 1362. Specialist Valuers and Auctioneers to the Printing *Industry.*

Eddisons, Chartered Surveyors, Industrial Building, Plant & Machinery, Auctioneers & Vlrs., Pennine House, Russell Street, Leeds LS1 5RZ. Tel: (0532) 30101. Also at Huddersfield, Bradford & Halifax.

Edwards, Bigwood, Bewley, 78 Colmore Row, Birmingham B3 HG. *Tel: 021-236 8477.*

John Foord, Chartered Surveyors, 61 Queens Gardens, W2. 01-402 8361. Valuers of Industrial Property, Plant and Machinery in the U.K. & abroad for 150 years.

Fuller Peiser, Chartered Surveyors, 9 Leopold Street, Sheffield S1 1BW. Tel: (0742) 24331. Telex: 54798. Head Office London.

Grimley & Son, 2 St. Phillip's Place, Birmingham 3. Tel: 021-236 8236.

Hammett Rafferty, Chartered Surveyors, Auctioneers and Valuers of Plant Machinery and Factory Premises throughout United *Kingdom:* PO Box 1, 30 High Street, High Wycombe, Bucks. Tel: (0492) 21234.

Industrial Plants Corporation (UK) Ltd., Auctioneers and Valuers of *Plant and Machinery, 71a Salisbury Street, Hull HU5 3DU.* Tel: 0382-492872. Telex: 527562. *Established U.S.A. 1919.*

Jarroms 8 Peacock Lane, *Leicester, 52111. P.A.I. members.*

King & Co., Chartered Surveyors, 1 Snow Hill, London EC1A 2DL. *Tel: 01-236 3000.* Telex: 885455.

Norman Levy Associates Overseas, Guaranteed Valuations and Auctions of Plant and Machinery, Morley House, 314/322 Regent *Street, London W1R 5AH. Tel: 01-*631 0707. Telex: 887291. Levy G.

Edward Rushton, Son & Kenyon (Est. 1855). Auctioneers, Loss *Assessors & Valuers,* 10 Carlos Place, Grosvenor Sq., London W1Y 6HA Tel: 01-493 6787 and at Birmingham, Dublin, Manchester, Sydney, Melbourne & Brisbane.

Edward Symmons & Partners, Auctioneers & Valuers, 56/62 Wilton Road, London SW1V 1DH. Tel: 01-834 8454 and at Manchester.

Walker Walton & Hanson, Chartered Surveyors, Valuers and Auctioneers of Plant & Machinery *and trade stocks throughout the* United Kingdom, Nottingham — Byard Lane. Tel: (0602) 54272; Mansfield. Tel: (0623) 35427; Melton Mowbray — 1 Wilton *Road, Melton* Mowbray. Tel: 0664 67555.

Weatherall Green & Smith, Chartered Surveyors / Estate Agents, 22 Chancery Lane, London WC2. Tel: 01-405 6944, 24 Austin Friars, London EC2. 01-636 9011.

Weatherall, Hollis & Gale, Chartered Surveyors / Estate Agents, C.M.A. House, 29 King Street, Leeds. Tel: 0532 442066.

On the instructions of

DRESSER INDUSTRIES

BRACKNELL

Western Industrial Estate

Excellent modern factory and offices for sale

Approx 120,000 sq. ft. 7 acre site

First class car parking, yard space and land for expansion

(JPH/06674)

KF + R

Knight Frank & Rutley

20 Hanover Square London W1R 0AH

Telephone 01-629 8171 Telex 265384

KING St. EC2

REFURBISHED OFFICES TO LET

Offices 1,300 sq.ft.
Lower Ground Fl. 1,010 sq.ft.
Total 2,310 sq.ft.

- Passenger lift
- Suspended ceilings
- Fitted carpets
- Telephones ordered

Vigers

CHARTERED SURVEYORS

4 FREDERICK'S PLACE LONDON EC2R 8DA

01-606 7601

LONDON EC4

NEW AIR CONDITIONED OFFICES

6,025 sq. ft.

on one floor

immediate possession

LONDON W1

TO BE LET

15,262 sq. ft.

SELF-CONTAINED OFFICE HEADQUARTERS

with Car parking

MELLERSH & HARDING 01-493 6141 Telex 24310

CHARTERED SURVEYORS 43 St. James's Place London SW1

John Chivers & Sons

Auctioneers Estate Agents Surveyors Valuers

FOR SALE

FREEHOLD INDUSTRIAL ESTATE

ASTON BIRMINGHAM

- ★ Part new, part refurbished buildings
- ★ All leases F. R. and I. with three-year rent reviews
- ★ Increasing rental already established on the estate
- ★ Total rental income £65,000

PRICE: OFFERS IN THE REGION OF £850,000

JOHN CHIVERS & SONS

30 THE GREEN

KINGS NORTON, B38 8SD

Tel: 021-458 5213

On the instruction of

ROUSSELOT LIMITED

FOR SALE

MAJOR FREEHOLD CHEMICAL FACTORY OF

situated on a level 14.4-acre site

82,000 sq. ft.

at

LITTLE HOUGHTON NORTHAMPTON

For further details: Connells Commercial, 687 Silbury Blvd., Central Milton Keynes. Tel: (0908) 606691, or 6 Wood Hill, Northampton. Tel: (0604) 38281.

UXBRIDGE MIDDX.

ENTIRE SECOND FLOOR OFFICES

In Light Modern Block, approx. 1,800 sq. ft. 20-year lease with 5-yearly reviews. 5-car parking space.

Offers in region of £7 per sq ft.

Sole Agents:

HARRODS ESTATE OFFICE

Knightsbridge, SW1X 7XL. Tel: 01-589 1400 (Ext. 2807).

MILDENHALL

SUFFOLK

Freehold or To Let

WAREHOUSE AND OFFICE

on 1 acre site. £215,000 Freehold, or £18,500 pax (Leasehold).

CONNELLS COMMERCIAL, 687 Silbury Boulevard, Milton Keynes. Tel: (0908) 606691.

STA. BARBARA, CALIF. USA

Gently sloping drive leads to hilltop Roman-Greco *Mansion* of 11,350 sq. ft. offering secluded privacy on its 11 wooded acres of prime estate land. Poetic setting with dramatic view of Pacific Ocean and lovely mountains. Finest climate in USA. Used as a school and should be returned to former elegance.

Price $2.1 million

LEIGH-ROSS ASSOC.

(213) 760-2188

P.O. Box 8027, Universal City CA 91608 USA

FACTORIES AND WAREHOUSES

NORTHAMPTON. Close to M.1 access. Freehold Factory and Offices. 19,660 sq. ft. Good condition. £240,000. ARNOLD BENNETT, 20 Sheep Street, Northampton. Tel. (0604) 35517.

LEEDS. Superb new factory. 30,000 sq. ft. approx. To Let. 20% development grant available to July 31st. Peter F. Smith & Co., Chartered Surveyors, 4, South Parade, Leeds 1. Tel. (0532) 450905.

SHOPS & OFFICES

FREEHOLD SHOP with office use, only 3 miles Heathrow. £52,000. 01-549 2960.

MAYFAIR, opposite Green Park. Prestige suite. Telex. Commissionaires. 24 hours. Alan Burton, 235 0288.

DEVIZES, WILTS. Freehold Office Building V.P. £0,000 F.H. 01-902 3017.

INVESTMENTS FOR SALE

20% NET YIELD

on two freehold industrial investments for sale. E.G. £33,000 income p.a. to be sold at £160,000 plus another similar larger investment. Also residential flatlet portfolio for sale.

SAPCOTE PROPERTIES

021-233 1200

FOR INVESTMENT

WEST KENT (Edenbridge 2 mls, Sevenoaks 5½ mls). Approximately 157 acres of Freehold Woodland For Sale, comprising established plantations of pine, beech, Norway spruce, oak, birch, poplar and sycamore, with chestnut and mixed underwood. Offers invited by Owner's Agents, ST. JOHN SMITH & SON, Chartered Surveyors, UCKFIELD (0825-4111) & at Crowborough, Horam & Huckfield, East Sussex.

RESIDENTIAL PROPERTY. Large Edwardian house in Hampstead divided into 6 flats; 2 tempy. garages, 5 flats vacant. 200 yd u'ground; ½ mile heath. £240,000. 3 Bed; detached Wimpey villa. Harlow New Town. Garage. Vacant. Pleasant cul-de-sac. £40,000. Phone 086735/329.

GRAYS, ESSEX

High yielding modern offices/commercial investment in prominent position. Office building approximately 8,375 sq ft, commercial approximately 16,277 sq ft let on F.R.I. leases. Income £35,250 p.a. Offers in region of £310,000 for freehold a.c. Apply: Bairstow Eves, 01-377 0137. Ref: BMN.

HOLIDAY CHALET PARK

...AND RESIDENCE

in premier West Country resort. £185,000 Freehold.

For full details write to Proprietors at Pump Cottage, Bickington, Newton Abbot, Devon.

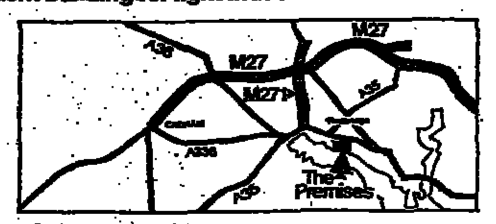
LEASEHOLD

OR LEASE PURCHASE

23,000 sq ft

Millbrook Trading Estate, Southampton.

Modern building for light industrial use or warehousing



- Excellent motorway access
- Near city centre
- Warehousing and office accommodation
- One acre site with good access and loading
- Full services and building in excellent repair

For colour leaflet and viewing contact

Edward Rushton Son & Kenyon

10 Carlos Place, Grosvenor Square, London W1Y 6HA Telephone: 01-493 6787

OFFICES URGENTLY REQUIRED

(all propositions considered)

WEST LONDON Park Lane to South Circular Road

Our Clients are seeking approx 8,500 sq. ft. modern leasehold offices. Car parking esential. Ref. G.R.D.

MANCHESTER City Centre

Financial Clients require a freehold site to support 20,000 sq. ft. approx. With car parking. Ref. N.S.H.

BRIGHTON

Professional Clients are looking for up to 5,000 sq. ft. leasehold. Ref. W.W.

Healey & Baker

Established 1820 in London

29 St. George Street, Hanover Square, London W1A 3BG 01-629 9292

City of London 118 Old Broad Street London EC2N 1AR

Amsterdam Brussels Glasgow Jersey New York Paris

In the heart of Manchester's central commercial area.

FREEHOLD BANKING PREMISES

with offices

FOR SALE

(Basement, Ground and 3 Upper Floors).

Dunlop Heywood & Co.

Chartered Surveyors

90 Deansgate, Manchester, M3 2QP

061 834 8384 Telex 667262

KINGS HILL WEDNESBURY

1 MILE M.6 (JUNCTION 9)

NEW FREEHOLD FACTORY INVESTMENT

Full I.B.A. available

New Letting at £12,850 p.a.

PRICE: In the region of £150,000

CONRAD RITBLAT & CO

Consultant Surveyors & Valuers

Telephone 01-935 4499

Milner House, 14 Manchester Square, London W1. Telex 262 650

HOUNSLOW

TO LET

New Office Development

10,300 sq. ft.

Herring Son & Daw

Chartered Surveyors

01-734 8155

INTERNATIONAL PROPERTY

FLORIDA

HILLSBORO BEACH (between Fort Lauderdale and Palm Beach)

An opportunity to buy a second home for investment, holiday, income, retirement while sterling is strong and exchange controls are relaxed.

Florida's mild climate, sub-tropical beauty and diversified cultural and commercial attributes make it an ideal location for buying a home. The Sunshine State attracts people from all over the world and communications with Europe are excellent. Real estate taxes are generally much lower than those in the northern states.

McAlpines activities in Florida extend over several years and in partnership with highly experienced local developers, can offer quality and value for money rarely seen today. Their many new projects range from 2 bedroom flats overlooking golf courses from $25,000 to luxurious condominiums and houses up to $150,000 overlooking the Ocean or the Gulf of Mexico.

A McALPINE JOINT VENTURE FINANCE AVAILABLE

For full details and advice contact sole U.K. agents.

NATHANIELS & DICKER

14 Gloucester Road, London SW7 4RB

Telephone: 01-584 9456. Telex: 886449

Associated Offices

BOSTON · CANNES · MALTA · VIENNA

APPOINTMENTS

Senior position at BICC

BICC has appointed Mr. H. G. (Oscar) DeVille, vice-chairman, as executive deputy chairman from July. Sir Kenneth Barrington remains non-executive deputy chairman. In his new position Mr. DeVille will be responsible with the chairman, Sir Raymond Pennock, for the executive operations of the company including the four main group companies: Balfour Beatty, BICC Cables, BICC Industrial Products, and BICC INTERNATIONAL.

★

Lord Carrington has appointed Lord Kindersley chairman of the COMMONWEALTH DEVELOPMENT CORPORATION for a period of three years from July 1 in succession to Lord Grey of Naunton who retires on June 30.

★

INTERNATIONAL DISTILLERS AND VINTNERS has made the following appointments: Mr. George Bull, while retaining his overall responsibility as deputy managing director of the group, will relinquish his direct responsibility for IDV Europe and will assume the IDV Management responsibility for Paddington and Carillon in the U.S. Mr. Geoffrey Palau will be retiring on March 31, 1981, and during the intervening period, Mr. Bull will also progressively take over responsibility as chairman of IDV Export. Mr. Christopher Pearman is appointed managing director, IDV Europe, covering operations in Spain, Portugal, France, Germany and Wine Selection International but excluding Ireland where Mr. David Dand as managing director of Gilbeys of Ireland will be reporting direct to IDV's managing director Mr. Anthony Tennant. Mr. James Espey will take over from Mr. Palau responsibility for Australia, New Zealand and the group's interests in the Far East.

★

Mr. G. W. Sutton, chairman of Sutton Riley Engineering, has been elected president of the ASSOCIATION OF MINING ELECTRICAL AND MECHANICAL ENGINEERS.

★

Mr. François Mayer, managing director of Rothschild Investment Trust, has been appointed to the board of TARGET LIFE ASSURANCE COMPANY.

★

Mr. Seamus Waring has succeeded Mr. Jack Webb as managing director of EKMAN CLEAVE (IRELAND) following his retirement.

★

The NATIONAL WATER COUNCIL has appointed Mr. John Meredith as assistant director (industrial relations) in its manpower services division.

★

KUEHNE AND NAGEL has appointed three resident executive directors in Salisbury for its new Zimbabwe subsidiary Freight International (Pty.): Mr. Ian Malcolm, Mr. Alan McAuley and Mr. Dave Chittenden.

★

Mr. D. K. Jones has been appointed managing director of TAKIRON (UK). He has the responsibility for the company's activities in both the UK and Europe.

★

The Secretary for Energy has re-appointed Lord Kearton as a part-time member of the UNITED KINGDOM ATOMIC ENERGY AUTHORITY for one year.

★

Lord Pritchard has retired from the boards of GUARDIAN ROYAL EXCHANGE ASSURANCE and GUARDIAN ASSURANCE COMPANY.

★

Mr. Joseph E. Hinde has been appointed chairman of the council of members and of the board of directors of ERA TECHNOLOGY. Mr. F. J. Lane, who retires from those positions, has become honorary president of ERA and he remains a non-executive director of the ERA board.

★

Mr. Nick Buckley has been appointed marketing director of RENAULT TRUCKS AND BUSES. Mr. Barry Gibson is now field service manager.

★

Mr. Richard A. Barry and Mr. Kjell G. Finstad have been appointed vice presidents in the technical division of SAGA PETROLEUM AS. Mr. Barry continues in charge of the engineering and production and Mr. Finstad of the exploration section.

★

Patricia A. Walker has become company secretary of the WADKIN GROUP.

★

Mr. Gordon C. Smith has been elected chairman and Mr. Dennis Evans, vice-chairman, of the council of the SOCIETY OF COMPANY AND COMMERCIAL ACCOUNTANTS. The chairman of the council holds the appointment for one year and is also president of the Society.

★

Mr. Philip L. Clein has joined the Board of Saturn Lease Underwriting and Mr. Russell Pendsé has been made a director of Mansionplace. Both companies are members of the MERCANTILE HOUSE GROUP.

★

Mr. Patrick Cox has been appointed executive vice-chairman of RADIO LUXEMBOURG (LONDON).

★

Mr. J. E. Mason has been appointed by LEYLAND VEHICLES as product engineering director, heavy vehicle division. He was previously chief engineer, vehicle engineering, HVD.

★

Mr. R. W. Koruna, of Wood Gundy, has succeeded Mr. A. C. Paterson, of the Union Discount Company of London, as honorary secretary of the INTERNATIONAL CD MARKET ASSOCIATION.

★

Mr. Hisao Makita, president of NKK (NIPPON KOKAN KK) is to retire from that post and he will become chairman of the Board. His successor will be Mr. Minoru Kanao, executive vice president. The changes will follow on June 27.

★

Mr. Barry Homer has been appointed company secretary of CROUCH GROUP in succession to Mr. Leslie Heritage, who has retired.

★

MERCANTILE CREDIT COMPANY has appointed Mr. Peter Moore as regional general manager of its northern region and a member of its management Board.

★

Mr. Michael Jones has become executive vice president of the TRUSTHOUSE FORTE group's TraveLodge International Inc., an American company based at San Diego, California. This is a new post and Mr. Jones now has responsibility for the operation and development of TraveLodge hotels across North America. He is succeeded by Mr. Michael Finkleman as operations director, Post Houses in the UK.

★

Mr. A. F. Fortescue has been elected chairman of LYON LOHR HOLDINGS and chief executive of the group from July 1. Mr. S. H. L. Barder retires as chairman on June 30 and becomes president. At the same time he retires from the Boards of Lyon De Falbe International, Lyon Lohr Reinsurance Consultants, Lyon Lohr Systems and Lyon De Falbe Underwriting Agencies. Mr. Barder retires from the Lyon Lohr Holdings Board on April 5, 1981.

★

Mr. Bill Boulton, Mr. Brian Howes and Mr. David Northcroft, executives of KIMBERLEY-CLARK, have been appointed to the Board.

★

Mr. James Greally has been appointed managing director of T. Bridger and Son and Mr. Richard Kord has become marketing director of a newly-formed company CURRYS (RETAIL). The parent concern is CURRYS.

★

Mr. Peter Middleton has been appointed managing director of J. PARKINSON AND SON (SHIPLEY), succeeding Mr. Norman Stewart who has retired. Mr. Middleton was previously managing director at J. Stirk and Sons.

A FINANCIAL TIMES SURVEY

HONG KONG

JULY 7 1980

The Financial Times proposes to publish a Survey on Hong Kong in its edition of July 7. The editorial synopsis is set out below:

INTRODUCTION The past three years have seen Hong Kong make a great leap forward both economically and in its relations with China. Can it now consolidate its gains in the face of more adverse external circumstances?

THE ECONOMY Successive years of growth find the economy more diverse and mature but wondering whether it can make a soft landing from high inflation, an extravagant property boom and rampant money growth in the face of a possibly severe world recession.

CHINA RELATIONS The extraordinarily rapid development of relations with a modernising post-Mao China has done wonders for confidence in Hong Kong. Immigration from China remains a major problem for over-crowded Hong Kong. Also Hong Kong as a source of investment, skills and market for China.

GUANGDONG RELATIONS A look at various developments in transport and industry in the neighbouring province and Shenzhen industrial area.

Domestic Banking	Labour Market
Banking Centres	Housing and New Towns
Financial Services	Property Market
Stock Market	Transport
Gold Market	Corruption
Commodity Exchange	Macao
Entrepôt Trade	Education
Airport	Budget
Reviews of the Major Industries	Society
Trade	Hong Kong in the World
Imports	Oil Exploration

For further information and advertising rates please contact:

Clive Radford

UK Advertisement Manager

Financial Times

Bracken House, 10 Cannon Street, London EC4P 4BY

Telephone: 01-248 8000 Ext. 510. Telex: 885033 FINTIM G

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The contents, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor

هكذا من الأصل

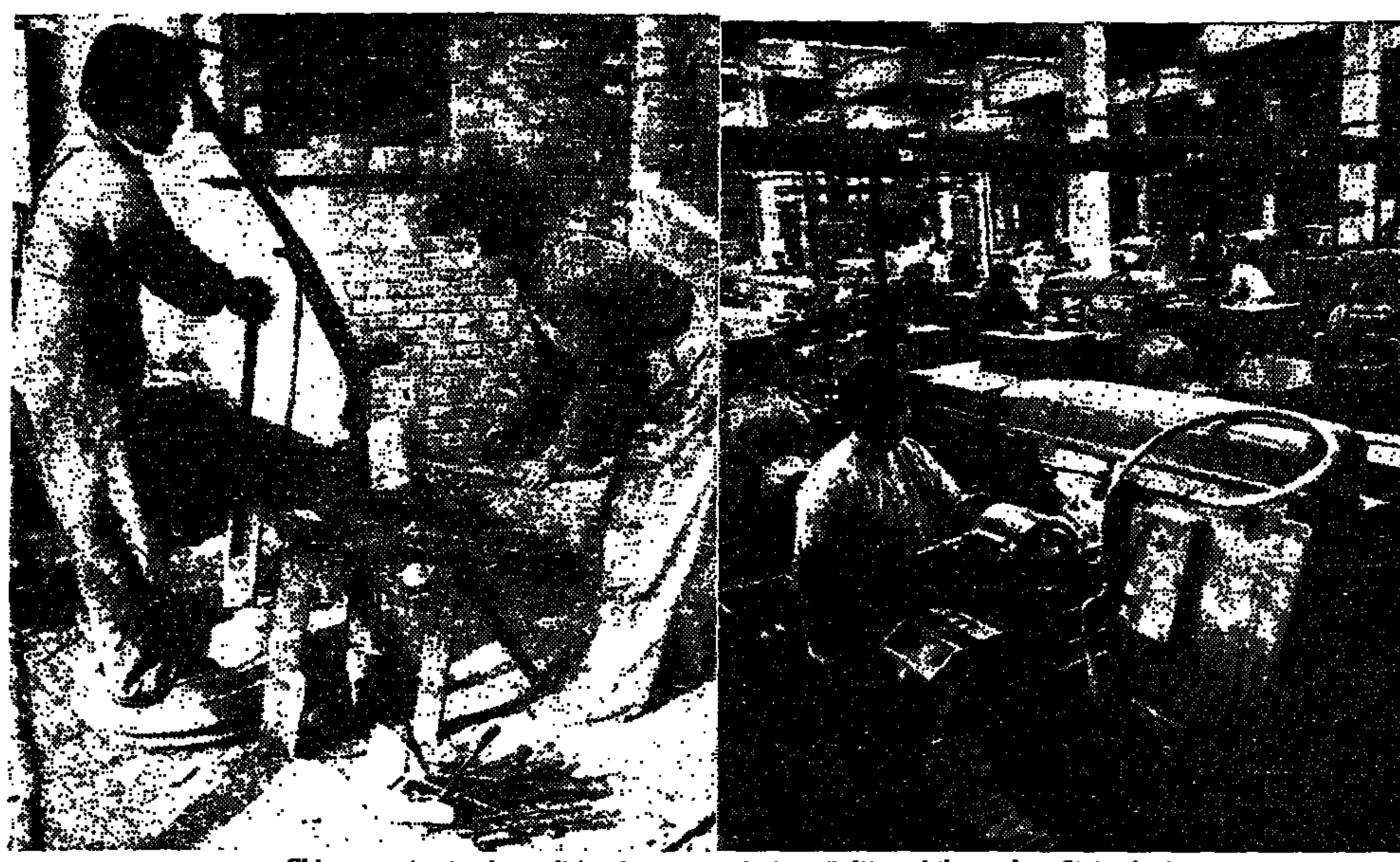
THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

WITH BETTER quality management now one of China's most urgent priorities, the new Chinese Enterprise Management Association has begun to make contact with selected western management organisations. One of the first delegations to be received, on a recent three-week visit, was from the UK's Association of Teachers of Management.

The Chinese association was established just over a year ago, and charged with the task of professionalising the country's industrial management. It forms part of the State Economic Commission, the Peking government's top industrial supervisory body. In addition to representatives of the commission, its membership includes the directors of factories (top management) and university professors.

In addition to its direct talks with the association, the UK delegation — consisting of 15 people from industry, consultancies, business schools, universities and polytechnics — met managers at a dozen factories all over China, as well as academics in the new departments of enterprise management at leading Chinese universities. So it gained an unusually detailed picture of the turbulent wind of change now blowing through Chinese industry. In the articles below, and on Monday, the leader of the delegation, Bob Garratt, examines some of the undercurrents.



Chinese contrasts: the traditional commune factory (left), and the modern State plant

How China's managers are trying to move mountains

Bob Garratt looks behind the scenes at China's new industrial revolution and discovers a vivid contrast of stress and success

DIMLY ILLUMINATED by a few string-suspended light bulbs, more than half the *workshop's machines lie idle* on the rammed earth floor. Round those in operation crowd a large group of workers, *their actions* hampered by the jumbled *layout of the factory. In a* shed next door sit 10 lathes, *made a year ago but still* waiting for the customer to deliver its barter products in exchange.

Little more than a stone's throw away, you find a contrast that could hardly be more stark. In a brightly-lit *modern hall*, the most up-to-date computer-controlled machine tools are carefully laid out on a concrete floor. There are far fewer operatives, and many speak fluent English.

Both plants are in North-east Shanghai. The first *belongs* to the *Jiang Wan* Commune, the second—the Shanghai *Machine Building* Factory—to the State. In microcosm, they represent China's new industrial revolution: the traditional *collective* factory, which grew and was *managed* in disorganised fashion; and the carefully *planned* enterprise, newly equipped to world-class standards, making advanced products, and now designated "key" as part of the government's acceptance of the virtues of elitism.

Yet from their very different starting points, both organisations are having to rethink their attitudes and practices in order to contribute to Peking's new national objective of more than tripling per capita income to U.S.$1,000 by the year 2000.

The target was formulated earlier this year as part of the change in policy which followed the disgracing of the "Gang of Four"—which provided the necessary scapegoat for China's slow industrial growth, and freed Chinese minds to rethink their approach to industrialisation.

The "pragmatic" policy which has been adopted during the nationally-declared "period of economic re-adjustment" comprises many elements. Two of the most obvious are the shift in industrial emphasis from the production of heavy goods towards consumerism, and the first steps away from centralised planning and control towards decentralised autonomy in each enterprise.

To the individual enterprise and worker one of the most evident expressions of the new philosophy has been the introduction of a system of cash incentives with an ambitious list of aims: improving productivity, raising standards of product quality and safety at work, increasing the efficiency of materials usage, and generally improving cost control.

Given that the "new pragmatism" represents such a radical rethink of the accepted Chinese Communist concept of a developing socialist state, it is not surprising that everyone concerned is experiencing intellectual stress—on social and economic concepts, as well as political.

The problems of relaxing the rigours of State economic planning are *coinciding with* the pain and uncertainty of managers and workers in each enterprise having to learn how to grapple with their new internal economics.

The traditional emphasis was firmly on output to meet the State quotas: Now each enterprise is being encouraged to make a production surplus and sell it to other enterprises.

In a product-starved economy this could be achieved simply by traditional selling and advertising techniques. But the more far-sighted Chinese managers and professors realise that two fundamental and allied processes—design and marketing in its full Western sense—will be needed before any real "management" of an *enterprise* can be *achieved*.

Equally, while the ability to think of an enterprise as an independent economic unit with its own brain, sensors, resources and markets seems to be missing in most current Chinese managerial thinking, there are signs of growing realisation that something is not right in the present approach to "managament," and that the source of the problem may lie in the relationship between the State and each enterprise.

In particular, managers within certain enterprises—*especially those trading internationally*—are beginning to feel that a change in financial concepts is needed. At present, the finances of each enterprise are not measured by any Western notion of profitability, as all selling prices are fixed by the State, and input costs are not computed against them. For the many Chinese managers, the word "profit" seems to have come to refer to the enterprise's surplus of production over and above the State quota. "Pragmatism" still has a long way to go.

Incentives at an efficient 'key' factory . . .

IN SPITE of all the political turbulence in China over the past decade, the State-owned Shanghai Machine-Building Factory has succeeded in gradually raising its performance to a world-class standard—in terms both of the quality of its products and the productivity of its labour force.

Offering a range of 50 grinding machines—many of them advanced even by western standards—and now making 2,000 units a year, it has established itself in a series of competitive export markets: not only East European countries such as Romania, but also Australia, Canada and the very home of modern capitalism, the United States.

It was because of its outstanding performance that the factory was declared a "key" enterprise by the State Economic Commission, and encouraged to forge an "advanced pathfinder" role in the four areas which are now of main concern for Chinese industry: the encouragement of efficiency and lower costs; the improvement of quality; new directions in worker participation; and developing the freedom of enterprises to market some of their production outside the State quota system.

As with all Chinese enterprises, the Shanghai factory is the focus of both work and social life for its 6,000 workers (1,700 of whom are women). It provides sanitarium, clinical, creche, nursery and disability care, public canteens, housing and sports facilities. Fellow workers have a major say in such decisions as an individual's marriage, *his* size of family, and his travel. This may seem objectionable to a western observer, but is an accepted way of life in China.

The factory is ultimately controlled by the local Party Committee. But the committee's role now seems to have changed to one of intervention only in exceptional circumstances, and the senior local manager, the Factory Director, now has the crucial coordinating task for both day-to-day and longer-term planning activities. Beneath him are eight manufacturing workshops, 19 administrative departments, and two educational units.

As this structure suggests, the excessive use of relatively untrained personnel which was encouraged by the Cultural Revolution has, to an tively untrained personnel which was encouraged by the extent, been replaced by a more western system of organising industrial work.

Key factories are being used as the spearhead of the industrial modernisation movement. They are encouraged to experiment with working structures and processes, and with the relationship between State (macro) economics and single-enterprise (micro) economics—a link which is little understood in Chinese industry.

In the Shanghai factory, as elsewhere, a radical break has been made with the immediate past in order to cope with the State's new requirement for improvements in production, quality and worker participation. Both on a group and on an individual basis competition has been introduced through a system of cash incentives and penalties.

At one level, workshops, work teams, departments and work groups (the smallest unit, comprising 15-20 people) compete with each other, while within each work group the individual workers also compete with each other.

Both the group and the individual incentive systems were initiated by the State, and have been available since early this year, but each factory has considerable freedom to tailor its own group scheme, whereas the details of its individual scheme are nationally imposed: a 14-15 per cent annual bonus for "above average" workers which must be given to 40 per cent of each work group, distribution being decided within the group itself by the famous national process of consensus.

In the Shanghai factory, the work group incentive system is made as public as possible by the use of blackboards at each work space. These display competitive performances, and are updated on a daily and weekly basis.

The group incentive system is operated by the factory's "*trade union" and its technical* department. They decide the *criteria for selecting the winning* group and the size of the *prize, which is both cash and* "public-spirited praise." Groups *are examined to check the technical* merits of their ideas, and the winner's members are then given a monthly bonus of between 5 and 10 Yuan for the next year (7½ to 15 per cent of the average monthly wage).

Special merit bonuses can be given to individual workers for their performance as "advanced pathbreakers," of whom there were eight in 1979, but the main individual competition is for the 14-15 per cent annual bonus for "above average" workers.

Penalties are also imposed in the important areas—lateness and machine maintenance. The first time a worker is late he loses one-third of his monthly bonus, twice and two-thirds are lost, three times and the whole is lost. Spot checks are made monthly on workers' machines to check maintenance, and any worker achieving less than 60 per cent of the target set by the technical department loses his bonuses.

In a cash-starved economy such incentives and penalties have highly motivating effects but Western observers should not assume that their introduction in China will lead to the rapid alienation of those workers who *do* not get them, or that the gradual accumulation of cash will create a materialism in which the incentives lose their effect.

The last 30 years have seen *the* development of *strong* grass-roots industrial democracy in China, and *it* is on this strength that the country is building. Within each work group representatives have been *selected* to *give special* attention to six key issues — Quality: Safety: Maintenance: Finance: Welfare and Propaganda (*propagating the* message of how to be a "good Chinese").

These are taken very seriously as *group tasks*, and as it is culturally normal not to be seen as *individually* meritorious, despite Party encouragement for *everyone to* strive to be an expert, the group decision process *on* such issues as the individual bonus *has* not until *now been* as disruptive as many *Westerners might have* expected.

Many of the Shanghai factory's activities have a "teaching *company*" *flavour, though* its members are reluctant to *emphasise this role.* Since 1970 it has sent some 2,600 *workers to five other plants* to help them improve their standards.

This rapid dissemination of *ideas and practices is proving* to be a powerful factor in the growth *of* less *fortunate* machine tool plants, and also an *effective "research" source on* which they can draw quickly. Western and Japanese ideas are now being studied in the factory *and the notions of Total Quality* Control, Quality Circles and Value Analysis *are being* introduced as pilot studies.

The fourth area of experimentation for "key" factories, developing the freedom to market some of their production outside the *State* quota planning system, is currently proving the most difficult area conceptually. The Shanghai factory can cover its *six-monthly state quotas* with 80 per cent of its production. This leaves 20 per cent surplus production capacity, *which is confusingly referred* to as "profit"—a definition we found in every Chinese factory, though it seems to be a relatively *new concept.*

This surplus can now be sold *at the State price to other* interested enterprises at home or *abroad.* So *advertising is* needed. The main outlet at the *moment is the* Shanghai Machinery Fair, but *the factory* is experimenting with advertising *its surplus capacity on* television, radio and in the *newspapers, and has even* started using sales representatives *within the last few* months.

From such sales, the factory's managers hope to make about 30 per cent "true" profit, with which they will develop new products and markets and still be able to make the cash incentives even more attractive.

Because the factory's products are in such demand, managers seem untroubled by a question which is worrying many other plants in China—what will happen if they are unable, for whatever reason, to sell their surplus?

. . . and at a confused commune

ONLY A few kilometres from the Shanghai Machine Building Factory is the Jiang Wan Commune. It presents a complete contrast. Covering 20 square kilometres, it provides a living for 16,700 people in 4,620 families. It is a compact administrative unit with its own farms, *factories*, hospitals, nurseries and creches, repair shops, housing and bank.

The commune's main focus, the farms, provide 300,000 Shanghai workers with their *daily vegetables and protein* needs. The commune conducts *its own research programmes* into cattle and pig breeding, *both of which are a major part* of its activities.

In terms of vegetable and protein production, Jiang Wan Commune *is* outstanding, but when it comes to its communally-owned factories it is another story, both in its own terms and *in comparison with* the Shanghai Machine Building Factory. Yet factories like those in Jiang Wan represent *the vast majority in China and* suffer from enormous structural problems.

The commune's factories are *a mixture of agricultural* machinery building and repair *shops, with a foundry, and* small jobbing shops for sub-contract *work from bigger factories in the city. This sequence* of activities tells the history of *the commune's development* away from its initial agricultural base.

Whereas the Machine Building *Factory is a well thought*-through organisation, the *commune factories seem to have* grown in a random fashion. *They fulfil their State quotas* and are striving to achieve "*richness*" within the commune through diversifying into profitable *sideline activites*, but the design, layout, machine *utilisation and management of* these small factories would be *a Western production manager's* nightmare.

There seem to be missing layers of supervisors, technicians, *and middle managers*, so that the vital day-to-day problems of co-ordination and re-allocating resources are not dealt with smoothly. The workers work hard but the conditions betray the proud heritage of "self-reliance" from the Cultural Revolution of the late 1960s, when the machines and factory buildings were self-built and neither worker safety nor pollution control were considered important enough to be taken seriously

It is now being realised that although *communal* factories are highly effective at providing local employment and additional income for the commune, they are highly inefficient in their use of machinery, raw materials and labour.

Whether, as the State planners intend, it is sensible to try radically to raise the productivity of such factories is a moot point, since this might only diminish their ability to provide local employment.

This is not to say that the communal factories should be excluded from the new "pragmatism" and incentives system. They should figure large in the total rethink which *is still needed in China about* the roles of an enterprise and its management. For communes like Jiang Wan one of the crucial questions *should* be on product policy: who should have the final decision on whether it continues to punch out sub-contracted cutlery and pen tops, as well as bartering self-built *lathes, and continuing the* production of agricultural *machinery?*

Some of the worst wounds . . .

It used to be called shell-shock. Now we know more. We know that there are limitations to the human mind.
Soldiers, Sailors and Airmen all risk mental breakdown from over-exposure to death and violence whilst in the service of our Country. Service ... in keeping the peace no less than in making war.
We devote our efforts solely to the welfare of these men and women from all the Services. Men and women who have tried to give more than they could.
Some are only 19, a few are nearly 90 years of age.
We help them at home and in hospital. *We run our own Convalescent Home.*
For some, we provide work in a sheltered industry, so that they can live without charity; for others, a Veterans' Home where they can see out their days in peace.
These men and women have given their minds to their Country. *If we are to help them, we must have funds. Do please help to repay this vast debt. It* is owed by all of us.

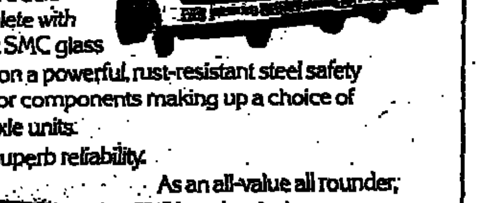
"They've given more than they could — please give as much as you can".

EX-SERVICES MENTAL WELFARE SOCIETY

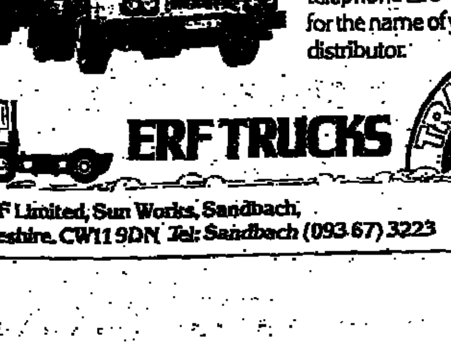
37 Thurloe Street, London SW7 2LL. 01-584 8688.

Britain's best all-round truck now catches up with demand!

Now, the trucks you want, when you want them.



ERF. Acknowledged as Britain's best all-round truck. Low profile cab, complete with moulded fire-resistant SMC glass fibre panels mounted on a powerful, rust-resistant steel safety cage. Well proved major components making up a choice of engine, gearbox and axle units.
Top economy, superb reliability.
As an all-value all rounder, the ERF hasn't a rival.
And they're now more easily available than ever before.
To view these superb trucks first hand, write or telephone ERF at Sandbach for the name of your nearest ERF distributor.

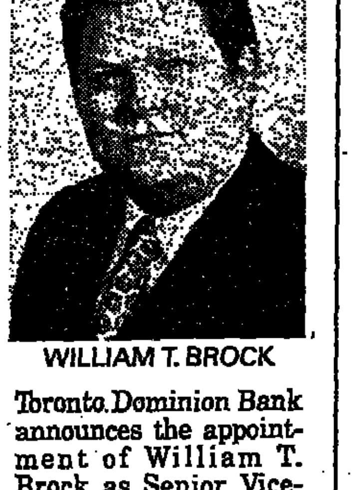


ERF TRUCKS — TRAILBLAZER ERF 80

ERF Limited, Sun Works, Sandbach, Cheshire. CW11 9DN. Tel: Sandbach (093 67) 3223

ADVERTISEMENT

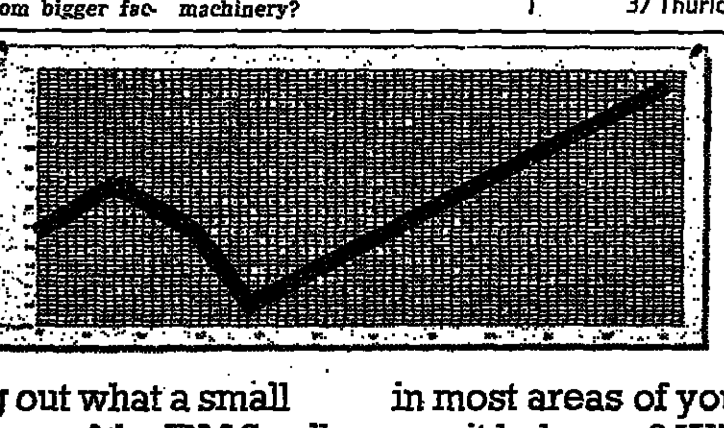
TORONTO DOMINION BANK APPOINTMENT



WILLIAM T. BROCK

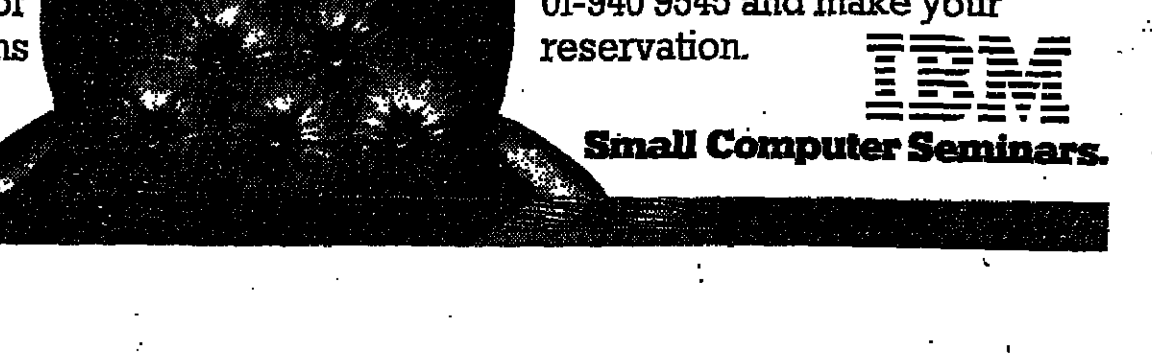
Toronto Dominion Bank announces the appointment of William T. Brock as Senior Vice-President, International Banking Group, Head Office. Mr. Brock has served in positions of increasing responsibility at domestic and international divisions and was previously Vice-President and General Manager, Europe, Middle East and Africa in London, England. He is now based in Toronto.

If your business involves any form of stock control, payroll, invoicing or ledger work, maybe the best thing you can do to make it more efficient is to take the day off.



And spend the time finding out what a small computer can do for you at one of the IBM Small Computer Seminars.

"The day I didn't show up for work, my business really took off."



An IBM small computer can be as small as a desk and cost as little as £8,500 excluding VAT. And there are a wide variety of ready made computer programs to suit most business needs.

At an IBM Small Computer Seminar you can see one in action and even operate it for yourself.

They're simple and straightforward to use, almost anyone can be trained to operate one.

And it can help you in most areas of your business. Exactly how can it help you? Will you have to make minor changes in your business methods? How soon can you get one installed and working for you?

Phone Karen Coleman on 01-940 9545 and make your reservation.

IBM Small Computer Seminars.

LOMBARD

BIS doubts on UK monetarism

BY DAVID MARSH

"QUATSCH!" The expression of ridicule ("Rubbish!" or perhaps even "Balderdash!" would be a rough translation) rang from the lips of the highly-placed official of the West German Bundesbank and reverberated around the plushly-furnished office in which, around six or seven weeks ago, he was giving an off-the-record interview.

The central banker was explaining, in characteristically robust terms, why he had little regard for the ultimate sanctity of Germany's money supply target. His views are perhaps of relevance to the debate about monetary policy going on at the moment in Britain.

Real reason

The target, he said, was a useful enough device for bringing hom to unions, management and the public at large that the Bundesbank was intent on running a tight monetary policy.

But the real reason why the Bundesbank was considering a fresh rise in interest rates was not, he insisted, because money supply growth had recently been creeping up into the upper half of the official target range. Rather, the central bank was keen to see discount rate go up again (the rate was eventually increased about a fortnight later, at the end of April) because the economy was still booming, inflation was rising, the D-mark was relatively weak on the exchange markets and Germany needed to finance a massive current account deficit.

The episode is recalled because it illustrates an impression gathered very strongly from conversations with central bankers at the annual meeting of the Bank for International Settlements this week. This is that foreign central bankers, especially those who are far more successful (and independent) in their jobs than their British counterparts, certainly do not believe that inflation can be cured and the world put to rights by the simple expedient of keeping to a pre-set monetary growth target.

The men who brought the world multi-currency swap arrangements, competitive appreciation and the European Currency Unit are not really, it transpires, monetarists at all—certainly not according to the red-blooded definition of the word served up by the British Treasury's ministerial hawks.

The impression is most strongly conveyed by the call in the BIS annual report for Britain and other countries to implement incomes policies to back up their anti-inflationary efforts.

As to Britain's determination to constrain money supply growth to half the rate of inflation, the central bankers are admiring, but plainly sceptical. They see this exercise in pip-squeaking as an experiment ("akin to those always available in the natural sciences," as the BIS scholastically puts it), and Britain a gilt-caged laboratory inhabited by 55m largely disgruntled guinea pigs.

Foreign central bankers are particularly intrigued about sterling. During the past 12 months the pound's appreciation in real terms has been greater than that of the Yen or D-mark during bouts of currency unrest of the past few years. Yet why is it, they ask bemusedly, that this rise seems to have had so little effect on dampening inflation?

The implication is that the Bank of England should do something—either cut interest rates or sell sterling—to get the rate down. The Bundesbank, it will be remembered, allowed its money supply target to overshoot by 40 per cent in 1978 as a result of its efforts to dampen the D-mark's appreciation.

Good chance

The BIS president and doyen of the international central bank circuit, Dr. Jelle Zijlstra, believes that, with Britain now sliding into recession, there is a good chance that rates will come down in the UK as quickly as they have done in the U.S.

Perhaps they would in other countries. But — particularly after Tuesday's figures showing a new jump in the sterling M3 money supply—Dr. Zijlstra's prediction looks highly unlikely, to say the least. The betting must be that, at the next annual meeting in 12 months' time, the central bankers will still be shaking their heads over Britain and its monetary experiments.

Swings and roundabouts at the Fort

BY EDWARD OWEN

AROUND BRITAIN

JERSEY

SEEN FROM the seafront, the curving and domed white roof on the hilltop above Jersey's harbour capital of St. Helier looks as if it could well house some serious-minded research establishment.

But up on the heights (a one-minute ride by cable car) all is fun and games. For here, in the unlikely setting of an early 19th century fort, the island government is in the course of building one of Europe's largest entertainment and sports centres.

Work on the project started in 1968 and has so far cost nearly £6m, but the complex will not be completed for some years yet.

Fort Regent was one of two properties sold back by the British Government to the Channel Islands in 1958, after the experience of World War II and the German Occupation had convinced the War Department that these Anglo-Norman outposts were no longer of strategic value.

Jersey secured Fort Regent for £14,500 — something of a bargain considering that 150 years previously the British Government had paid £11,280 for the 22-acre site and had spent over £375,000 on building the fort.

In 1958 Guernsey purchased its counterpart, Fort George, from the British Government for £24,000 and in 1961 sold it for development as a luxury housing estate for £85,000. But Jersey took much longer to decide what to do with Fort Regent.

A private development scheme with a Hilton Hotel was rejected by local MPs in 1965, mainly because it would have involved a casino.

However, it was the launching a year later of Jersey's lottery that helped decide the fort's future. It was agreed to put the lottery profits towards a Government project to convert it into a leisure centre, and the Fort Regent Development Committee now receives about £350,000 a year from this source.

Politically, the project has had a chequered career, and at one stage the island parliament showed signs of getting cold feet. A £1m vote was frozen while the scheme was re-appraised, but MPs finally decided to proceed after warnings that Jersey would otherwise be left with Europe's "biggest empty warehouse."

Today most islanders agree that the outlay has been worthwhile both in terms of local amenities and of tourism benefits.

Some 1¼m people are expected to use Fort Regent this year, putting it around the top of the British leisure centre and stately homes league for attendance figures.

A membership scheme has attracted nearly 45,000, of whom 20,000 are local residents (over 25 per cent of the population) and 25,000 regular holiday-makers. More than 50 sports clubs and similar organisations use the centre.

Fort Regent has its fun-fair side with dodgem-cars, roundabouts, ghost-train and big wheel, but there are also exotic flower gardens, aviaries, quiet walkways—and cannons on the ramparts to evoke the military past.

The centrepiece is the former parade ground, a three-acre, fish-shaped area that has been completely roofed over, using more than 500 tons of steel. At one end is a covered piazza with fountain, stage, skating rink and shops, and at the other Gloucester Hall, a sports hall convertible in a few hours to a 2,000-seat theatre/conference room or an exhibition centre.

Some 70 barrack rooms surrounding the parade ground have been adapted for uses ranging from museums and shops to shooting ranges and squash courts.

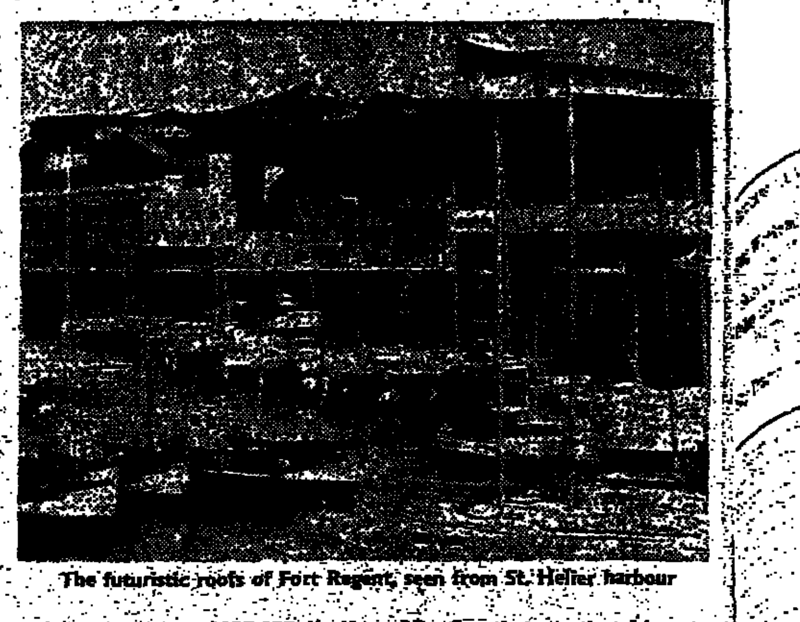
Everything has had to be fitted into the structure of the fort, because as the co-ordinating architect, and chief designer, Mr. William Davies explains, it was much too solidly built to do anything else. "After a while we began to look on a six-foot-thick granite wall as just a sub-partition. One wall we encountered was 18 feet thick."

Originally it was planned to build a theatre-cum-conference hall in what is known as the "rotunda"—the central dome of the parade-ground roof—but this idea was abandoned in favour of a multi-purpose sports hall.

Mr. Peter Smyth, who has been the director of Fort Regent since 1974 and was previously managing director of Ladbroke Holidays, thinks the island has received very good value for the £2m spent on fitting out Gloucester Hall with flexible seating arrangements and sound and lighting systems.

Like most leisure centres, Fort Regent runs at a loss (the annual electricity bill alone is £100,000), although last year it was one of the few to spend less than estimated—£1,080,000 against £1.2m—and earn more, at £526,000 against £479,000.

The swimming and sports side loses money, while the tourist attractions and concerts show a profit. The annual



The futuristic roofs of Fort Regent, seen from St. Helier harbour

deficit, currently £325,000, is a charge on the Jersey taxpayer.

In its first year Gloucester Hall has been the venue for stars like Charles Aznavour, Bruce Forsyth and Mike Yarwood, for the BBC Concert Orchestra, for a circus and for the Channel Islands Boat Show.

Gloucester Hall's versatility has left the rotunda, 80 ft high and 190 ft round, temporarily without a future. At present it is used to park staff cars and visiting coaches, and as a general servicing area.

Mr. Smyth says that his committee is in no hurry to develop it. "The fort has been the scene of intensive building for some years, and we think it is best now to let it settle down for a bit."

Meanwhile, he says, any proposal for commercial development of the rotunda will be considered, since the policy since 1975 has been to make Fort Regent a partnership between the island government and private enterprise.

Course sponsorship is buoyant

RACING

BY DOMINIC WIGAN

THE TREMENDOUS importance of sponsorship to individual race courses is again stressed today with the prize money for three races at Sandown provided by one company and another group supporting the feature event on the Knavesmire.

Although the Eagle Development Group Stakes at York is not televised, the company of that name has considered a contribution of £2,500 towards the prize money a worthwhile venture. Such is the buoyant field of racing sponsorship, in spite of the none-too-flattering survey produced by Gillette Research which showed that sponsorship in many other fields of sport can be expected to yield a better return.

The most interesting event of the afternoon at Sandown is the Alma Confectionery Maiden Stakes, the third of the Foodbrokers events. Here Admiral's Barge, Gillson, Imperium and Prince Sandro should figure in the proceedings.

Peter Walwyn's charge, Gillson, is likely to go to post a warm favourite on the strength of his highly encouraging effort in the Wheatsheaf Stakes over today's trip of one and a quarter miles at the last meeting here.

Thirty-five minutes later it will be interesting to see how Michael Stoute's Pert Lad fares when he steps up in class in the £5,000 added Alington Stakes. This lightly-raced colt put up an eye-catching performance in lowering the course record when beating Numbers Up on ground officially described as good at Bath 11 days ago. Although he has a considerably stiffer task against Deepset and Khedive, I believe he will prove up to it.

Looking ahead to next week's four-day Royal Ascot meeting, both Piaffer and Aldeburgh Festival have been in strong demand for Wednesday's Hunt Cup.

SANDOWN
2.00—Suniti
2.30—Borderline
3.05—Atlantic Boy
3.35—Gillson**
4.10—Pert Lad***
4.45—Rushmere

YORK
2.15—Wonderful*
2.45—Morveta
3.20—Bugatti
3.50—Galaxy Leo
4.20—Hit the Hammer
4.50—Quaker Star

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 10.15 For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.55 pm Dechrau Canu, Dechrau Canmol. 1.30 Camberwick Green. 1.45 News. 2.00 International Show Jumping—Benson and Hedges Championships. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Baggy Pants and the Nitwits. 4.40 The Red Hand Gang. 5.10 We're Going Places. 5.35 The Wombles.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 It's A Knockout.
7.45 Citizen Smith.
8.15 Ripping Yarns.
8.50 Points of View.
9.00 News.
9.25 Starsky and Hutch.
10.15 Living Legends (London and South East).
10.45 Regional, National News.
10.50 Show Jumping: Benson and Hedges Championships.
11.35 Late Film: "The Landlord," starring Beau Bridges.

All Regions as BBC-1 except as follows:

Cymru / Wales — 1.30-1.45 pm Bys a Bawd. 4.45-5.10 Babol Bach. 5.55-6.20 Wales Today. 6.55 Heddiw. 7.15-7.45 Plant y Paith. 10.15 Week in Week Out. 10.45-10.50 Regional, National News.

Scotland — 1.25-1.30 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.15 Living Legends. 10.45-10.50 Regional, National News.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Causeway Folk. 10.45-10.50 Regional, National News. 1.25 am News and Weather for Northern Ireland.

England — 5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich) Weekend; Midlands (Birmingham) Straight Talk; North (Leeds) The Enemy Camp; North East (Newcastle) Most Heroic; North West (Manchester) Home Ground; South (Southampton) Arlott's Innings; South West (Plymouth) The Moving Line; West (Bristol) Public Life.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.00 pm Tennis: Stella Artois Championships.
4.50 Open University.
6.55 The Colliers' Crusade.
7.25 Mid-Evening News.
7.35 Gardeners' World.
8.00 Robbie: Fyfe Robertson interviews Arthur Askey.
8.30 The Lancaster Legend.
9.00 Sing Country.
9.40 Playhouse.
10.50 Newsnight.
11.30 Tennis: Stella Artois Championships (highlights).
†12.20 am The Outer Limits.

LONDON

9.30 am Schools Programmes. 11.55 Beany and Cecil Cartoon. 12.00 Songbook. 12.10 pm Once Upon a Time. 12.30 The Special Child. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 For Maddie With Love. 2.00 Houseparty. 2.25 Racing from Sandown Park. 3.45 The Wild, Wild World of Animals (Crocodiles). 4.15 Worzel Gummidge. 4.45 Runaround. 5.15 The Brady Bunch.

5.45 News followed by an appeal for the victims of the famine in East Africa.
6.00 Thames News.
6.30 Looks Familiar.
7.00 Winner Takes All.
7.30 The Other 'Arf.
8.00 Hawaii Five-O.
9.00 Turtle's Progress.
10.00 News.
10.30 Soap.
11.00 The London Programme: Medway Council.
11.45 Police Five.
11.55 Luke's Kingdom.
12.55 am Close: Personal choice with Cyril Shaps.

All IBA Regions as London except at the following times:—

ANGLIA

1.20 pm Anglia News. 3.45 The Electric Theatre Show. 5.15 A Sharp Intake of Breath. 6.00 About Anglia. 8.00 The Incredible Hulk. 10.30 Seven Days. 11.00 Friday Late Film: "The Other Man." 12.45 am Christians in Action.

ATV

1.20 pm ATV Newsdesk. 3.45 Stars on Ice. 4.45 Runaround. 5.15 Laverne and Shirley. 6.00 ATV Today. 10.30 WKRP in Cincinnati. 11.00 ATV Newsdesk. 11.05 The Friday Film Fantastic: "The Green Slime."

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 3.50 Time to Freeze. 5.15 Emmerdale Farm. 6.00 Report at Six. 6.35 Ladies First. 8.00 Vegas. 10.28 Channel Late News. 10.36 A Wing and a Prayer. 10.55 TV Movie Premiere: "Any Second Now." 12.40 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 3.45 SPGA Championships. 5.15 The Rolf Harris Show. 6.00 North Tonight and Area Weather Forecast. 6.30 A Sharp Intake of Breath. 8.00 BJ and the Bear. 10.30 Reflections. 10.30 The Odd Couple. 11.00 SPGA Reflections. 11.50 Police Woman. 12.45 am North Headlines and Road Report.

GRANADA

11.50 am The Bubblies. 1.20 pm Granada Reports. 3.45 Survival. 5.15 Granada Reports. 6.00 Granada Reports (continued). 6.30 This Is Your Right. 6.35 Crossroads. 11.00 Public Office. 11.30 House of Horrors: "Nothing But The Night."

HTV

1.20 pm Report West Headlines. 3.45 Stars on Ice. 5.15 Selwyn. 6.00 Report West. 6.30 Emmerdale Farm. 8.00 A Man Called Sloane. 10.35 Report—Extra. 11.05 The Friday Film: "Breakout."

HTV Cymru/Wales—As HTV West/HTV General Service except: 10.48-11.08 am Cymru A'r Mor. 11.55-12.10 pm Mistar Clai. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.15-4.45 Antur A Champ. 5.15-5.45 Breakers. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.05 Old Man's Story.

SCOTTISH

1.20 pm News Headlines and Road and Weather. 3.45 SPGA Golf Championship. 5.15 Mork and Mindy. 6.00 Scotland Today. 6.30 Emmerdale Farm. 8.00 Vegas. 11.00 SPGA Championship (highlights). 11.45 Late Call. 11.50 SWAT.

SOUTHERN

1.20 pm Southern News and Weather. 3.45 Stars on Ice. 5.15 Happy Days. 6.00 Day By Day. 6.00 Scene South-East (South-East Area only). 6.30 Tell Me Another. 8.00 Streets of San Francisco. 10.35 Opinions Unlimited. 11.05 Soap. 11.35 The Late, Late Premiere: "A Handful Of Love."

TYNE TEES

9.20 am The Good Word, followed by North-East News Headlines. 1.20 pm North-East News and Lookaround. 3.45 The Wild, Wild World of Animals. 5.15 Happy Days. 6.00 North-East News. 6.02 Sportstime. 6.25 Northern Life. 8.00 The Incredible Hulk. 10.30 North-East News Headlines. 10.32 Friday Live. 12.00 WKRP in Cincinnati. 12.30 am Meet the Faith.

ULSTER

1.20 pm Lunchtime. 3.45 Stars on Ice. 4.13 Ulster News Headlines. 5.15 Mork and Mindy. 6.00 Ulster Television News. 6.30 Untamed World. 8.00 Vegas. 10.29 Ulster Weather. 10.30 Witness. 10.35 Friday Film: "The Bedford Incident." 11.55 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.50 Time to Freeze. 5.15 Emmerdale Farm. 6.00 Westward Diary. 8.00 Vegas. 10.32 Westward Late News. 10.36 Sportsline. 10.55 TV Movie Premiere: "Any Second Now," starring Stewart Granger. 12.40 am Faith For Life. 12.45 West Country Weather and Shipping Forecast.

YORKSHIRE

11.55 am The Bubblies. 1.20 pm Calendar News. 3.45 Stars on Ice. 5.15 Bailey's Bird. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Calendar Summer Sport. 8.00 The Incredible Hulk. 10.30 Brass in Concert. †11.15 The Friday Night Film: "Night Of The Eagle," starring Peter Wyngarde.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Paul Gambaccini. 5.30 Newsbeat. 5.45 Roundtable. 7.30 Anne Nightingale. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 3.00 Ed Stewart's Request Show (S) (continued from Medium Wave). 4.00 With Radio 2. 6.00 John Dunn (S). 8.02 With Radio 2. 10.00-12.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 3.00 Davis Cup Special (Great Britain v Romania). 4.03 Much More Music (S). 6.00 Davis Cup Special. 7.00 John Dunn (S) (joins VHF). 8.02 Take Your Partners at the Radio 2 Ballroom (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 The Grumbleweeds. 10.30 The Organist Entertains. 11.02 Sports Desk. 11.05 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Massenet (S). 10.00 BBC Northern Ireland Orchestra (S). 10.45 Young Artists Recital (S). 11.40 BBC Welsh Symphony Orchestra (S). 1.00 pm News. 1.05 Antony Peebles piano recital (S). 1.55 A Revolution in Polish Music (S). 2.40 Chansonnier Cardiforme (S). 4.10 Youth Orchestras of the World (S). 4.55 News. 5.00 Mainly For Pleasure (S) (‡ and mono only from 6.20). 7.00 Ashkenazy and Previn (S). 7.10 One Pair of Ears. 7.25 Play It Again (S). 7.30 The Only Living Genius? (portrait of Salvador Dali). 8.15 "A Midsummer Night's Dream," opera by Britten, Act 1 (S). 9.00 The Great Prayer. 9.20 "A Midsummer Night's Dream," Act 2 (S). 10.05 A Musical Ramble (last series) (S). 10.25 "A Midsummer Night's Dream," Act 3 (S). 11.10-11.15 News.

VHF only—Open University: 6.00-7.00 am and 6.20-7.00 pm; and for Scottish students only: 12.00-1.00 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 8.59 Continental Travel. 9.00 News. 9.05 Desert Island Discs. 9.45 Down the Garden Path. 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 "Are Brains Necessary?" 11.50 Bird of the Week. 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre. 4.10 The Finch Manoeuvres. 4.40 Preview. 4.45 Short Story. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News. 10.35 Week Ending (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 John Ebdon. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00-5.00 am Join Radio 2.

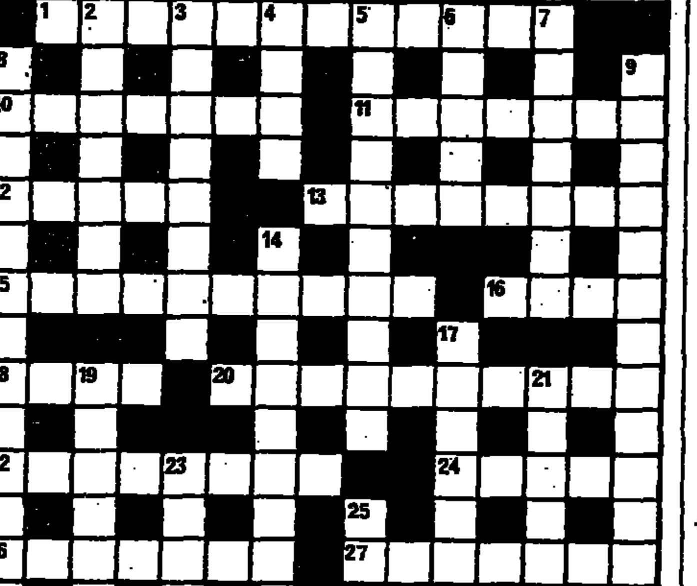
London Broadcasting

6.00 am AM with Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 1.00 pm London Today First Report (S). 1.10 Dave Cash (continued). 3.00 Roger Scott (S). 7.00 London Today (S). 7.30 Party Pieces (S). 7.45 Adrian Love's Open Line (S). 9.00 Nicky Horne's "Mummy's Weekly" (S). 11.00 Mike Allen's Late Show (S). 2.00 am John Sachs's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,296



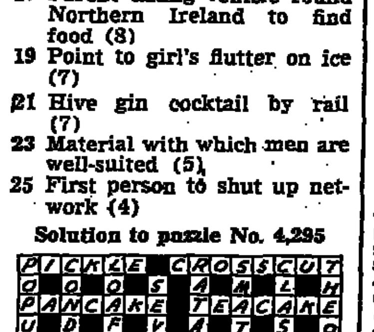
ACROSS

1 Complaint leads to old port being included in snack (4, 8)
10 Strike loose-living country lover (7)
11 One Frenchman has it gobbled up by ape (7)
12 Hold in the French hard wood (5)
13 Two observers together see this to agree (3, 2, 3)
15 Scrapping championship (5, 5)
16 Ascetic youth leader gets round soldier (4)
18 Spots complaint (4)
20 Small distribution to country forecast (10)
22 Foreman finished with observer (8)
24 Vain switch left block for Smith (5)
26 Oriental doctor has a right attack on prohibition (7)
27 Feeling for key resolution (7)
28 Final performance of two weeks' run of Shakespeare play (7, 5)

DOWN

2 Super caught first and last passage from book (7)
3 Father put straight by alarm (8)
4 Article it turns against (4)
5 Garland is in 24 hours sequence (5, 5)
6 One would join unit to upset fool (5)
7 Chap with a power to ban stop at sea (5, 2)
8 Tart reminder of volume of fruit trade (5, 8)
9 Light regulator of gondolier's drinking spree (8, 5)
14 Part given to dunderhead going to be partitioned (7, 3)
17 Parent taking vehicle round Northern Ireland to find food (8)
19 Point to girl's flutter on ice (7)
21 Hive gin cocktail by rail (7)
23 Material with which men are well-suited (5)
25 First person to shut up network (4)

Solution to puzzle No. 4,295



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

OPEN AIR REGENT'S PARK. CC. S. 486 2431. MUCH ADO ABOUT NOTHING.

CINEMAS

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube). 01-839 1527.

ART GALLERIES

CLUBS

CLASSIFIED ADVERTISEMENT RATES

	per line £	Single column cm £
Commercial and Industrial Property	6.00	19.50
Residential Property	5.00	17.00
Appointments	6.00	19.50
Business & Investment Opportunities, Corporation Loans, Production Capacity, Businesses for Sale/Wanted	7.00	22.00
Education, Personal, Gardening	6.00	17.00
Motor Cars	5.00	14.00
Hotels & Travel	5.00	14.00
Contracts & Tenders	6.00	20.00
Book Publishers	—	net 8.00

Premium positions available (Minimum size 30 column cms) £2.00 per single column cm extra

For further details write to: Classified Advertisement Manager, Financial Times, 10, Cannon Street, EC4P 4BY.

THE ARTS

Cinema

Return of the silly season

by NIGEL ANDREWS

Hurricane (AA)
Classic Haymarket
Long Weekend (AA)
Odeons Kensington and Swiss Cottage, Classic Chelsea
Friday the 13th (X)
Warner, ABC Shaftesbury Avenue, Studio, Scene
Skip Tracer (AA)
Paris Pullman

Raging winds and feral floods cut down the population of a Samoan island . . . horrible things happen to a husband and wife camping on an Australian beach near an abattoir . . . even more horrible things happen to a bunch of youngsters care-taking in a pre-season American camp-site . . . a Canadian debt-collector prowling through a silent house opens a cupboard and out plops a slaughtered child . . . another lies behind the shower curtain . . . a girl gets a hatchet in the head . . . Trevor Howard is drowning . . . a dead dugong slithers furtively up a beach, playing Grandmother's Footsteps with a young Australian couple.

Welcome to Midsummer Madness week. With the silly season spiralling into almost total dementia, it's time to be abroad or else to gird up your perverse wonderment and see just what happens to commercial movies when the heat marvellously and deliriously turns their heads.

There's a majesty of sorts about naked nonsense. When the cinema comes out in the high-summer all-together, without a shred of intellectual pretension, you can see what an endearing dynamo of daft energy it is even—or sometimes especially—at its worst. No artistic super-ego rules the throbbing Id of *Hurricane*, *Friday the 13th* and *Long Weekend*, and those seeking a banshee blast of bargain-price Romantic Agony need trouble to look no further.

Be prepared only for the fact that the good lies down with the bad and the ugly, and strange, restless, dickering bed-fellows they make. *Hurricane*, for instance, has a plot of marvellous exoticism culled from John Ford's 1937 movie of the same title. In 1920s Samoa an American governor's daughter (Mia Farrow) falls in love with a handsome native (Dayton Ka'ane) while the storm-clouds gather, both figurative and literal. Figurative in the form of her father (Jason Robards), a censorious grey-beard scowling at the miscegenation. Literal in the approaching hurricane that finally levels the island, leaving only the lovers alive in a new, mystic, gale-cleaned Eden...

Scene from the adventure film Hurricane

Grand plot, but in this Dino di Laurentiis remake ga-ga treatment. Whoever thought to engage Jan Troell, for example, Swedish master of spacious realism—viz *The Emigrants*—to direct the film? Troell and his fellow-Swede, cinematographer Sven Nykvist, swathe the proceedings in a bilious yellow mist and cut a dourly Nordic, humourless path through the South Seas *l'amour fou*. The pulse briefly quickens in the hurricane climax, with the Pacific pounding across the screen uprooting trees and churches, but even here the model-work is too conspicuous, the cutting too haphazard.

The actors, meanwhile, go down for the third time well before the literal flood-tides rise—from Mia Farrow's fluting waif and Jason Robards's grimly dull governor to cameo creak-throughs from Max Von Sydow and Trevor Howard as doctor and priest. What remains are brief shafts of sunlight from the wonderfully far-fetched plot and piquant reveries about what Roman Polanski—hired to direct the film before his legal troubles intervened—might have made of the story's strange, steamy, sinewy hyperboles.

*

Long Weekend, from Australia, is an even odder mish-mash: a "haunted beach" film in which the maritally bickering hero and heroine—she has just had a near-fatal abortion and blames it all on him—set up camp amid sequestered sand-dunes for a summer weekend. (Or would it be winter in Australia?) No one is around for miles, although there's a sinister van parked way off down the strand. Things start to go bump not just in the night but also in the day, offering a 24-hour supernatural service. A harpoon-gun goes off by itself. A possum attacks. A frozen chicken grows mould. Distant cries ululate. A deceased dugong—black slithery sea-creature—lies balefully on the beach and seems at each sighting to have crept nearer.

Odd, you'll agree. But odder still is the movie's stoical refusal to offer any rationale, however skimpy, for all these paranormal shenanigans. No past atrocities at the same compass-point are invoked, no ancestral curse on either of the protagonists. The story unspools in a rhymeless void where everything is possible and nothing pointful. In attempted compensation, director Golin Eggleston and writer Everett de Roche brush-up the incidentals for all they are worth and keep teasing us with such ploys as craning the camera up sinisterly from the grass, suggesting who-knows-what unseen presences.

But a gigantic tease is all that the film finally is, and if you want straight, over-the-counter, cause-and-effect blood and thunder, then roll up for *Friday the 13th*. My own camping days, back in the Boy Scouts, were mostly confined to failing to tie clove-hitches and burning bits of salted pastry over a fire. But it's evident from this film that the agenda can be far more vigorous and exciting. The young counsellors-cum-caretakers at Camp Crystal Lake discover this during their pre-season spring-cleaning and get-together.

A frightful maniac is loose among the log cabins, portrayed by a wobbly, heavy-breathing camera and wielding an assortment of sharp weapons including cleavers, knives and axes. Every ten minutes the film goes "kthunk!" as another young victim bites the dust, skewered through the breast with a harpoon or bisected in the face with a machete, or perhaps simply nailed to a door. The story galumphs along on high-octane crudity and minimal characterisation, while the audience keeps screwing itself up for the next bloodletting.

*

The best film of the week, though, is *Skip Tracer*. Down the mean streets of Vancouver walks a debt collector, seeking whom he may devour. John Collins (David Petersen) works for a dubious loan company which uses any form of moral and emotional intimidation—up to and including encouraging suicide—to get its clients to cough up overdue debts. J.C.—don't the initial ring a bell, or clash a symbol?—is an ascetic fisher of men who always nets his man and who is in the running, for the fourth consecutive time, for the firm's coveted "Man of the Year" award.

Starting off as a cynically seductive tour through the excesses of competitive careerism, the film soon broadens into a bracing morality tale delineating the salutary crack-up of the (anti-) hero's robotic facade as the job's unrelenting nastiness slowly pierces his perceptions. A client's suicide, preceded by the same client's bashing to death of his wife and children, shines the final Damascene light into the collector's corroded soul.

It's a neatly, perhaps patly, humanist conclusion. But at least the film works towards it—unlike the hiccoughing evolution of the week's other melodramas—and at least Canadian writer-director Dale Zalen has got under the ophidian, well-camouflaged skin of his central character. It's also shot in clean-lined, unfussy, purposive style. See and enjoy.

St. James, Broadway

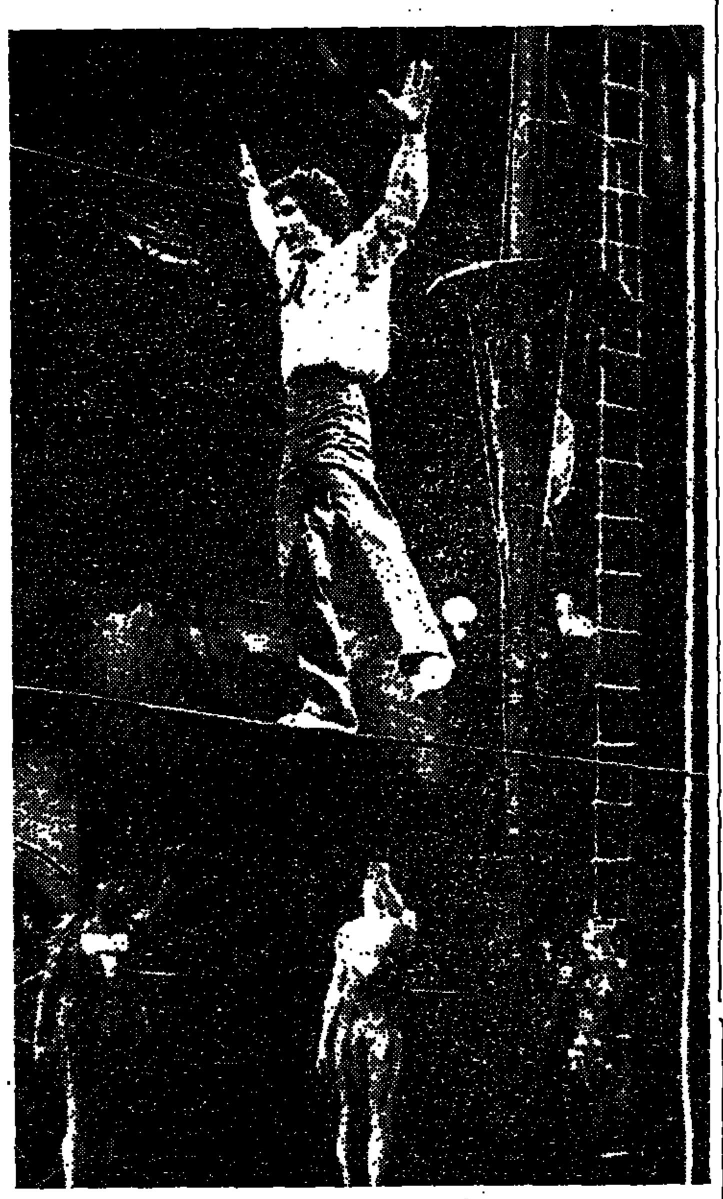
Barnum

by B. A. YOUNG

Phineas Taylor Barnum used the word "humbug" in an affectionate way to describe his methods of entertaining the public. Joe Layton's production of *Barnum* at the St. James's Theatre is that kind of humbug. There's a perfectly straightforward book by Mark Bramble describing Barnum's ascent on the principle that there's a sucker born every minute; the affectionate disputes with his wife, who would rather he was a straightforward businessman; the ultimate triumphant partnership with Bailey.

Joe Layton has turned this into an evening of pure joy by coating it with boundless riches of colour, fun and especially skill. There are singable songs composed by Cy Coleman to lyrics by Michael Stewart that sometimes show a verbal felicity to rival that of W. S. Gilbert. There is a company, every one of whom is a specialist, able to juggle three spinning batons at once, do tricks with bricks, or play the violin on a high-wire. The house is decorated circus-style all over; there is an upright piano at each end of the dress circle and a big band upstage. Best of all, there is our own Jim Dale, whose performance won him a well-deserved Tony.

Jim Dale can do anything. At one point he goes down on one knee while singing a song as he crosses a tightrope without a pole. (He has a wire in his dressing-room to practise on.) He sings splendidly, every note true, every word clear in the patter that comes out pretty fast. He acts well, though he hasn't much acting to do. He can keep up with his circus-trained colleagues in juggling and conjuring. Someone behind me shouted "Bravo!" as soon as he came on the stage, even before he had hopped up into a box from a trampoline. At the end he had a standing ovation.



Jim Dale

Glenn Close has the unenviable task of playing his wife Chairy, the representative of "black-and-white" life as opposed to the colourful existence Barnum goes for, and makes it sympathetic enough. The evening is studded with ingenious tricks; there is grand singing by Terri White as the 160-year-old Joice Heth and a song-and-dance number by Leonard John Crofoot in the person of General Tom Thumb that seems to me to mark him out for stardom.

Stratford, Ontario

Virginia

The production of Edna O'Brien's *Virginia* at the Avon Stage, Stratford, Ontario, with Maggie Smith in the long part of Virginia Woolf, is an event to go into theatrical history.

The play is built from a delicate mosaic of Virginia Woolf's own writings and other sources touching on her life, framed in Miss O'Brien's own words and marshalled into an original work of art. It tells of Virginia Stephen's progress from her childhood, through the high days of Bloomsbury, to her marriage to Leonard Woolf, he madness, her romantic association with Vita Sackville-West and her suicide when she feared a renewed onset of madness.

It is done with immense delicacy and skill, and played by Maggie Smith in one of the most sensitive performances I have seen her do. Virtually, it is a one-woman play though Leonard and Vita are seen and heard to flesh out Virginia's thoughts. But Miss Smith, who does not leave the stage during the whole hour and a half's playing, is constantly at the focus of affairs.

Wearing a dull green dress and brown cardigan, she conjures into existence the people of her life, moving with infinite subtlety from recollection to anecdote and impersonation. The dreadful days of lunacy are as terrible as if one saw them happening in one's own life. They are followed by a kind of fragile radiance as Vita, played with an aristocratic arrogance by Patricia Connolly—smart and colourful in a mauve dress and an orange-fringed scarf; a big straw gardening hat on her head—leads her into an exciting new life in another world from her normal sexless, domestic, book-filled existence.

Symbolic of this life, Nicholas Pennell hovers maternally about her as Leonard, civil servant and publisher, a dark-suited computer charged with an overwhelming responsibility. The direction by Robin Phillips, on a beautiful set, by Philip Silver, where images of Virginia's life appear half-realised, is faultless, up to the moment of the last peremptory black-out as Virginia repeats again a passage heard earlier, and now more sinister, about death under water.

B. A. YOUNG

Vienna Festival

Von Einem, Krenek, Hartmann

Vienna this summer is a place of anniversary celebration. The Austrian state enjoys in 1980 its 25th year of independent rule: the Empress Maria Theresa died 300 years ago; and the composer Ernst Krenek, Viennese by birth though long an American resident, is 80 this August. The first has affected the festival tangentially, in manifestations of posters, leaflets, and bulletins all over the city rather than by any special munificent additions to the musical or dramatic schedule; the second is the cause of a magnificently arrayed, endlessly fascinating exhibition, *Maria Theresia und ihre Zeit*, at Schönbrunn (it remains there until September); and the most significant of the sparse Krenek festivities has been a new production at the Theater an der Wien of the once-notorious success of the 20s, *Jonny spielt auf*.

Jonny, though easily the more substantial of the two operatic offerings in this theatre, has been overshadowed by the world premiere of *Jesu Hochzeit (The Marriage of Jesus)*, a *Mysterienoper* in two acts by Gottfried von Einem. The composer of *Danton's Death*, *The Trial*, and *The Visit of the Old Lady* has turned his attention to a religious subject — and has come up with an opera that, in terms of controversy and the attendant publicity, is his most notable achievement yet, at least in his native land. In the libretto of Von Einem's wife, Lotte Ingrisch, the characters have been depicted in modern idioms (Mary and Joseph speak not *hoch-Deutsch* but in a kind of Tippettian prattle); in particular, foreknowledge that Death was to be characterised in female guise and garb, as a temptress with whom Jesus undergoes a central marriage ceremony, had the effect of outraging Austrian Catholic orthodoxy. According to report, police were present at the first performance, last month, to quell any planned demonstration inside the theatre itself; and though at the fourth performance the atmosphere was entirely calm, the librettist's strongly-worded apologia in the programme was sufficient to indicate to the outsider the nature and the extent of the storm.

Before the performance the fuss seemed difficult to take seriously; after, it became simply laughable. *Jesu Hochzeit* is an entertainment so slight, so innocuous, and so devoid of controversial intention, alike in its dramaturgy and in its music, as to make *Godspell!* seem like one of Bunel's wilder anticlerical fantasies. The opening sets a tone unswervingly sustained: Mary Magdalene (guitar in hand, blue jeans tastefully patched) poses; from the centre aisle of the stalls, the question, "*Does God exist?*"; but the mildly bluesy E minor of her Prologue soon assures us that its discussion is unlikely to be asserted with any force or lack of decorum.

The trouble with the piece is the speed with which it reveals the spuriousness of its impulses and its motivations. *Jesu Hochzeit* fills no need (for all that a television future, as an alternative to *Amahl and the Night Visitors*, can be cheerfully predicted), and as a recrudescence of the old story in modern guise it is, centrally and simply, uninteresting. The production, by Giancarlo del Monaco, son of the famous Italian tenor, was untroublesome, if hardly arresting. David Shallon conducted the Vienna Symphony; one of the pleasures of an evening otherwise felt to be mildly (the word, in this context, becomes contagious) wasted was the chance afforded of meeting Karan Armstrong (a sultry, striking soprano Death). Per-Arne Wahlgren (very tall and Scandinavianly handsome as Jesus, with a pleasant, soft-grained baritone) and Anne Gjevang (a firm mezzo for Mary Magdalene); one of its minor sadnesses was the sere, shaky tone Eberhard Wächter produced for Joseph.

Allen Evans and Nelly Ailakowa in Jonny spielt auf

Production and musical performance, rather than the work itself, were the undoing of the Krenek revival. I have long wanted to encounter in the theatre a piece whose dramatic concepts and whose musical ideas (at least as gleaned from the vocal score) seem to retain their originality and freshness. (*Jonny*, first given in Leipzig in 1927, had spread its fame across Europe and even as far as the New York Met, by the end of the decade; the sympathetic presence of a black American musician in the story and the liberal outbursts of popular American music in the score helped to ensure Nazi disapproval thereafter; later, Krenek's position as a greatly respected but not much played composer of unabated prolificness seemed to guarantee its further disappearance.)

After this performance—a co-production of the Graz Opera House, Styrian Spring and Vienna Festivals, conducted by the veteran Ernst Märzendorfer—I hardly feel that my acquaintance with the opera has been significantly improved. The production took small but irritating liberties with the stage directions; so did the ambitious Odeon-type scenery, whose impracticality wrought havoc with scene changes and inserted long, long pauses into undesirable places. Whether in its neo-Schubertian lyricism, Paris-influenced chic, or jazz-inflected vitality—for all of which Krenek was either admired or reviled—the music on this occasion sounded soggy, limply unrhythmic, terribly unclear in its sonorities; and parts of the cast were so weak that one may have been tempted to overrate the black American baritone (Jonny) for his lithe presence or the East German tenor Rainer Goldb[illegible] (Max) for his verbal attentiveness and distinct, unfettered vocal style.

This was a sore disappointment. In my four days in Vienna there were others. A concert in the large hall of the Musikverein by Kubelik and his Bavarian Radio Symphony Orchestra offered in its first half the *Song Scene* (1963; unfinished) on a text from Giraudoux's *Sodom and Gomorrah* by the Munich composer Karl Amadeus Hartmann (1905-1963). Hartmann's stand against the Nazis was so admirable, and his post-war re-invigoration of new music in his native city so fruitful, that I always want intensely to like his music whenever I hear it. The desire seldom survives the actual experience; it did not this grey, heavy, hardly remitted piece of Puritan declamation for a hard-worked baritone. (Yet Roland Herrman found in it opportunities for impressive dramatic singing—why don't we hear this fine performer in London more often?) The Vienna State Opera keeps continually active during the festival, though its repertory is not connected therewith. Or its standards specially improved therefor, if the performance—or, to be truthful, the two acts—of *Tannhäuser* that I saw and heard is anything to go by. Wild wobbling by Gwyneth Jones and the sexagenarian Hans Beirer, coarse conducting of a slapdash orchestra by Berislav Klobucar, a spectacular production gone utterly to seed: it seemed to represent a great house at its very worst.

MAX LOPPERT

Covent Garden programme

The Royal Opera, Covent Garden, announced its programme for the 1980-81 season yesterday against growing worries about its financial situation. Its grant from hte Arts Council for the year will be £7,805,000, a rise of only 11.5 per cent, while costs have increased by 20 per cent or more.

As a result extra ballet programmes have been introduced to replace more expensive opera performances and seat prices will be raised by an average 20 per cent.

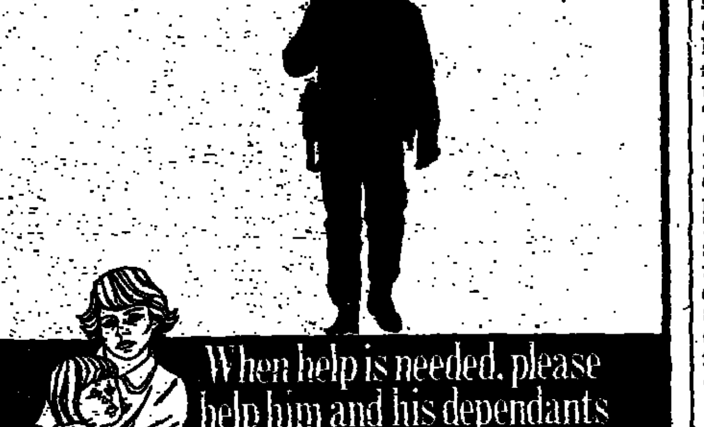
Four new productions are planned—*Les Contes d'Hoffmann*, to celebrate the centenary of Offenbach's death; the three-act version of *Lulu*, a British première; *Macbeth*; and *Don Giovanni*. The Offenbach, which opens in December, will be the first opera produced by John Schlesinger.

Berg's *Lulu* arrives in January for its Covent Garden première. The conductor is Sir Colin Davis, the producer Götz Friedrich, and Karan Armstrong, making her debut at the Garden, is Lulu. Verdi's *Macbeth* is conducted by Muti.

Don Giovanni in July, 1981, marks the start of a Mozart Festival.

ANTONY THORNCROFT

In war, in peace you need his help



When help is needed, please help him and his dependants

A donation, a covenant, a legacy to
THE ARMY BENEVOLENT FUND
will help soldiers, ex-soldiers and their families in distress
DEPT. FT. DUKE OF YORK'S HQ, LONDON SW3 4SP

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Amro Bank	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17 %
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½ %	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Cnty. Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½ %
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½ %		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%. 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15¾%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

BALANCE SHEET 1979

On 30th April 1980 the Board of Banco di Sicilia, at their Annual General Meeting, approved the accounts for the 1979 financial year which showed a net profit of Lit. 3.473 million after amortizations of Lit. 19,740 million and provisions of Lit. 95,825 million.

The Chairman, Professor Giannino Parravicini, having fully examined the present situation and future economic prospects, reviewed the results of Banking Section activity and of the Special Sections for industrial, farming, fishing, mining, mortgage and public sector lending. Summarised, these results show an increase of Lit. 1,143 billion in funds [illegible], which totalled Lit. 9,050 billion, and an increase [illegible] 1,264 billion in loans and bonds, which together [illegible] 541 billion.

From the Balance Sheet as at 31st December 1979

Funds managed	Lire 9,209 billion
Lending by the banking section	" 3,762 "
Lending by the special sections	" 2,175 "
Investments in bonds and shares	" 2,604 "
Engagements & contingent liabilities	" 1,146 "

Banco di Sicilia
Public Credit Institution
Head Office in Palermo, Italy
Capital Funds: Lire 369,095,504,636

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 8954871, 883897

Telephone: 01-248 8000

Friday June 13 1980

Wrong way to cut spending

THE TREASURY's threat to halt all new construction by local authorities in order to impose some badly needed discipline on local government spending is a demonstration of the Government's weakness rather than its strength of purpose. The present Treasury Ministers have, in the past, been among the most vocal critics of Labour's preference for cutting capital, rather than current, spending whenever public spending has to be limited.

They are therefore well aware that the real problem that needs to be atacked is the excessive level of current spending by local authorities, which on present trends is running £734m, or 5.6 per cent above target. In particular, local authorities have not made remotely enough effort to reduce manpower and keep their wage bills, which account for 70 per cent of current spending, within the Government's cash limits.

Traditions

However, the Government has no powers to influence current spending or manpower directly, whereas all capital spending requires Treasury approval. While a capital spending moratorium would do nothing about the longstanding traditions in many local authorities to look out for the interests of their own employees first and foremost, it would at least enable the Government to limit total local authority spending. The Government would admit that a moratorium would simply visit the sins of local politicians on the construction industry and would result in considerable waste and misallocation of resources.

Nevertheless the Treasury view appears to be that the Government's macroeconomic strategy, based upon steady reductions in public spending and borrowing, must, for the moment, take precedence over all other objectives. While the Government's evident determination to stick to its plans is in principle welcome, it does not justify crude measures which could do considerable economic harm, in order merely to satisfy the letter, rather than the spirit, of the Government's promises.

The aims of reducing public spending are to release resources for use in the private sector, to cut public borrowing and hence the pressure on monetary growth and interest rates and to reduce the burden of taxes. An attack on the construction industry, which is already operating at less than half its capacity, would certainly not serve the first of these purposes. The most immediate aim, control of the public sector borrowing requirement, could be achieved without a construction moratorium, by taking further steps to constrain local authorities' borrowing. Although the Government's ability to regulate borrowing is limited, a good deal could be achieved by using the powers that exist with a degree of ruthlessness.

An even more powerful fiscal weapon exists for the Government in the Order which it issues in November of each year to supplement the Rate Support Grant, which provides 61 per cent of local authorities' revenues. The Government could, in extremes, threaten to provide the local authorities with less than it has promised, thus reducing the Central Government Borrowing Requirement. This would be a crude weapon. Like a capital spending moratorium, it would punish responsible local authorities as well as those which have been guilty of gross overspending, but it would at least ensure that the pressure to adjust to the Government's plans fell on current spending and manpower, instead of being concentrated solely on investment.

The main objection to a cut in the Rate Support Grant is that this would force many local authorities to increase their rates even beyond their present levels in order to make up the lost revenues. Indeed, authorities that were utterly determined to maintain their overspending and manpower would be able to do so, by imposing massively increased levies on their ratepayers.

Tax reductions

The Government is understandably reluctant to do anything that would encourage further rate increases and exacerbate inflation. Furthermore, a response to overspending which could be circumvented through rate increases would fall down on the Government's third objective in cutting public spending, the reduction of taxes. However, the control of local rate levels is ultimately the responsibility of local electors, not of central government. If certain local politicians are so irresponsible as to ignore the Government's pleas for stringency, they would face some very angry voters at the next local elections.

Italy can pause for breath

SIGNOR Francesco Cossiga, the Italian Prime Minister, has reason to feel fairly happy with himself as he hosts the EEC summit in Venice. Italy's skilful chairmanship of the Community has played an important part in resolving the long and bitter argument over Britain's budgetary contribution and he will doubtless have been personally thanked by Mrs. Thatcher. At home, the threat of his impeachment over allegations that he tipped off a colleague about his son's alleged involvement in terrorism appear to be receding. Most impotrantly, however, this week has seen his coalition Government's mandate convincingly reaffirmed in regional and local elections

Hard core

The election result, though comforting to Signor Cossiga's Christian Democrats, can hardly be described as an outright victory. The turnout was low, by Italian standards, and the Communist share of the vote only dropped marginally compared with last year's general election, confirming the existence of a fairly hard core of Communist support comprising almost one-third of the electorate. The vote by no means represents the comprehensive condemnation of left-wing administrations at local level that the Christian Democrats had sought.

Equally, however, the elections failed to produce the vote of no confidence in the Cossiga Government at national level for which the Communists had campaigned. All three Government parties did well, with the Christian Democrats advancing to just under 37 per cent of the vote, compared with just over 35 per cent in the last local poll in 1975. The junior partner, the Republican Party, held its own despite fears of a reverse, and the Socialists, with almost 13 per cent, did better than in any nationwide election since 1963.

Paradoxically, however, his Socialist partners' success could actually create problems for Signor Cossiga in the medium term. The high Socialist vote was undoubtedly helped by the the withdrawal from the elections of the small left-wing Radical Party. But it is likely further to encourage the Socialist Party's demands for a greater role in Government. The ambition of its leader, Signor Bettino Craxi, to become the first Socialist Prime Minister since the war has already shown itself to be a disturbing factor in the Italian political equation.

For the moment, however, Signor Cossiga looks firmly in the saddle. That being so, he now has little excuse for evading a serious assault on the country's mounting economic problems.

One of the problems is that Italy, with the highest growth forecast in the EEC for this year, has got out of step with its partners. Imports are being sucked in at a time when external markets are collapsing and inflation is undermining the competitiveness of Italian goods. With the lira locked into the European Monetary System, rising costs are not finding an outlet through a decline in the exchange rate. A readjustment of parities inside the EMS is, of course, possible, but the Government is insisting that it will not contemplate a lira devaluation.

If the Government continues to resist devaluation, while at the same time keeping a tight lid on public borrowing, it is hard to see how industry's competivity can be restored. A reduction in the burden of social security contributions, which industry is seeking, would probably have to be compensated for by higher indirect taxes that would in turn be inflationary and push up wages still further under the *scala mobile* indexation system. But the trade unions will not tolerate any interfering with the *scala mobile*, which is an integral part of the country's fragile social compromise. The influx of tourist receipts over the next few months should take some of the pressure off the balance of payments. But Signor Cossiga cannot afford to wait too long. With his political position looking rather more assured, he should have a breathing space in which to turn his attention to the economic front.

LEADING LDP FACTIONS AND BOSSES

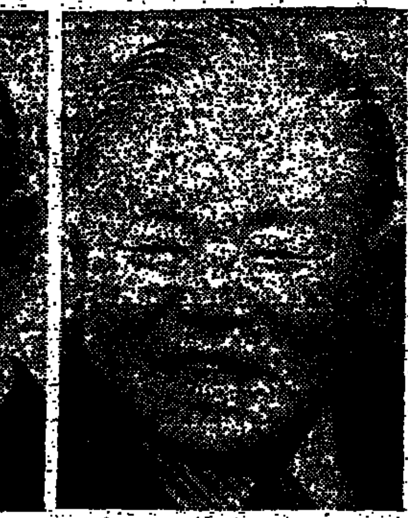
The Liberal Democratic Party, a conservative body which dominates the politics of Japan, is divided into factions each with its own leader. Members of each faction pledge support to their leader in return for his backing, especially financial support at election time. Factions have no particular regional bases, nor are they usually of an especial ideological colour. Main leaders with the strength they commanded in the last parliament are shown alongside.


Kakuei Tanaka: faction of 49


Takeo Miki: faction of 23


Yasuhiro Nakasone: faction of 38


Takeo Fukuda: faction of 47


The late Masayoshi Ohira: faction of 48

Japan: divided they rule

AT THE height of a prolonged and bitter power struggle within the ruling Liberal Democratic Party (LDP), the late Prime Minister, Mr. Masayoshi Ohira, refused to quit, declaring to his LDP opponents, "asking me to resign is like asking me to die." That was nine months ago. His sudden death on Thursday came precisely as opinion was growing that his resignation might be inevitable for health reasons.

Mr. Ohira's departure from the political scene does not, however, change the fact that the LDP is at present engaged in a dual election campaign which could spell the end of 25 years of LDP rule. Even if it manages to retain its slim majorities in the lower and upper houses of the Diet (and even if Mr. Ohira were still alive), the badly divided party is in for perhaps the most tumultuous post-election battle for leadership since its founding as a conservative coalition.

The recent months of factional infighting in the LDP have even given rise to doubts about its prospects for survival as a party. Since last October, when it did badly in a general election, it has split into two groups of factions. The so-called "anti-mainstream" factions which called for Mr. Ohira's resignation because of the poor showing, include those of the former Prime Minister, Mr. Takeo Fukuda, and ex-Premier, Mr. Takeo Miki. Another anti-Ohira group is that of Mr. Yasuhiro Nakasone, a hawkish conservative who would like to be Prime Minister. Mr. Ohira has enjoyed the strong support of a former Prime Minister, Mr. Kakuei Tanaka, who leads what is considered the richest of all the factions.

Though the general election is only nine days away it has become virtually impossible to predict whether the LDP will fall short of the 256 seats needed to control the Lower House of the Diet. The reason is that the election was forced (on both Government and opposition) by the unexpected and almost unprecedented passage of an opposition sponsored no-confidence vote against Mr. Ohira.

It passed because nearly 70 LDP dietmen opposed to Mr. Ohira absented themselves from the voting chamber in a fit of pique.

Further complicating the picture is the fact that a regular election for half the members of the Diet's Upper House was also due to be held in late June. A rapid decision was taken to dissolve the Diet and hold both the Upper and Lower House elections on Sunday June 22 which, awkwardly, is also the date of the world economic summit in Venice.

The bumbling way in which the LDP allowed the election to come about does not mean, as the opposition hopes, that it is necessarily in a worse position than the four main left of centre parties. The LDP has stronger financial resources, and a better organisation than perhaps any other party except the Japan Communist Party (JCP). At the risk of burying the dead too quickly, some LDP optimists are arguing that Mr. Ohira's heart attack might even have the effect of generating a mild sympathy among floating voters.

They further argue that the hospitalisation of Mr. Ohira, one day after the election campaign officially got under way, could paradoxically have worked for the LDP. His enforced silence could have been a boon during an election campaign in which there were no real issues to debate. It is remembered, in this context, that Mr. Ohira almost lost the election in October, 1979, by speaking on unpopular issues such as the need for a major tax increase.

Before Mr. Ohira died, it was a commonly held view among political analysts that the LDP would almost certainly keep its majority in the Upper House. Under the alternating election of members scheme, it needs to elect only 60 candidates out of the 126 up for election, most of which are running from "safe" LDP constituencies. The LDP carries 65 seats over from the last election, three years ago, for the 252 member body.

In the Lower House, predictions for the LDP's score run from a minimum of 240 seats to 260 seats (256 represents a majority). If the lower of these figures turns out to be right, the LDP may have to resort to co-operation with middle of the road opposition parties. This could mean a small LDP offshoot, the New Liberal Club, or the anti-communist Democratic Socialist Party, which is anxious to make the defence forces strong.

Analysts say that even if the LDP winds up with only the "worst case" number of seats in their predictions, the opposition parties are very unlikely to be able to form a coalition in the Lower House. The largest opposition group, the Japan Socialist Party, can be expected to win at best 100-120 seats, or less than half of what the LDP can muster if it does badly. For reasons which combine ideological differences and personal prejudice, the JSP cannot hope to form a coalition with either the Japan Communist Party or the smaller parties to its right.

Looking beyond the election (and assuming the LDP does not do too badly), the ruling party still faces the difficult task of selecting a new party leader to head the next cabinet. Under party procedures, the members of the Upper and Lower Houses of the Diet will meet to select a "temporary" leader for the party, immediately after the election. Next December, when Mr. Ohira's term would have ended, the LDP will choose a "permanent" leader for a two-year term.

It is considered likely that the former Prime Minister, Mr. Takeo Fukuda, a strong opponent of Mr. Ohira or one or another of the leadership will stand in on a temporary basis. The acting Prime Minister, Mr. Masayoshi Ito could also conceivably fill the bill.

The real battle may actually be won or lost in the days after the election. If Mr. Fukuda is named, he may want to try to stay on in December. It is more likely, however, that one of three other younger LDP leaders could step up in the queue for leadership. They include the former Defence Agency Director General Yasuhiro Nakasone; Mr. Toshio Komoto, a former Minister of International Trade and Industry, and Mr. Kiichi Miyazawa, a former Foreign Minister, who appears first in line to take over the reigns of the now leaderless Ohira faction.

Richard C. Hanson
Tokyo Correspondent

Mr. Ohira's winning talent

MR. MASAYOSHI OHIRA, who died early on Thursday morning after a short illness, was probably the most unassuming personality among the long list of post-war Japanese Prime Ministers. A simple man with a modest academic record and a talent for making and keeping friends, Mr. Ohira exemplified many of the virtues that have contributed to Japan's recent prosperity.

He was known for caution and humanity and for a marked ability (even by Japanese standards) to settle difficult problems through the patient forming of a consensus.

Mr. Ohira's life history, like that of many of his predecessors, was that of a country-boy who made good. Born into a farming family in south western Japan in 1910 Mr. Ohira was (by his own account) no more than an average performer at school. He seems to have had a streak of toughness, however, which took him to a local commercial college after his father's early death (when Mr. Ohira was 15) and subsequently to a good (but not outstanding) university career in Tokyo.

Once in Tokyo, Mr. Ohira's talent for making friends helped him to progress further. An acquaintance from his home prefecture who had secured a top job in the Ministry of Finance helped him to enter the Ministry where he became a specialist in taxation and a trusted aide of Mr. Hayato Ikeda, a director of the Ministry's tax bureau who harboured political ambitions.

When Mr. Ikeda was elected to the Diet after the war and appointed instantly to the post of Finance Minister he selected Mr. Ohira as one of his two private secretaries. (The other was Mr. Kiishi Miyazawa—a member of the Ohira faction who is counted today among possible successors to the Prime Minister.) Mr. Ikeda's election as leader of the Liberal Democratic Party in 1960 helped Mr. Ohira further up the political ladder. After his boss's retirement (for health reasons) in 1964 the Ikeda faction in due course became the Ohira faction.

Between his entry to the Diet in 1952 and his appointment as Prime Minister 26 years later Mr. Ohira held every major ministerial post at least once.

Dealing with so many varying issues gave Mr. Ohira a unique experience as a political all rounder. But his chief talent was that of building alliances with fellow politicians within the shifting system of factions making up the rulling LDP.

At the close of the seven-year premiership of Mr. Eisaku Sato in 1972, Mr. Ohira forged an alliance with the wealthy and ambitious Mr. Kakuei Tanaka and helped him to gain the Premiership as Mr. Sato's successor. The Ohira-Tanaka axis survived after Mr. Tanaka himself came under a cloud following revelations about his private business activities and was forced to resign in 1974. Because of its existence Mr. Ohira was able to count on the largest single block of votes within the parliamentary party in 1978 when he defeated a sitting prime minister, Mr. Takeo Fukuda, in a party leadership election.

Mr. Ohira's chief talent was that of building alliances in the shifting system of factions making up the LDP.

Mr. Ohira's premiership started out, in November 1978, under favourable auspices, both political and economic. All his major rivals had held the prime ministership before him with the result that he appeared to have no obvious successor. From late 1978 onwards, the Japanese economy began an increasingly vigorous recovery.

These and other factors created an impression of confidence in the Mr. Ohira cabinet and served to increase public support for the LDP—to the point where Mr. Ohira was induced to dissolve the Diet and call an early election in autumn 1979 (one year ahead of the constitutionally due date).

Mr. Ohira's confidence of victory in the 1979 election was so great that he chose as an election issue the need for a drastic and controversial tax increase (required to eliminate the chronic post-1973 budget deficits). Unfortunately the choice of tax as an issue proved a miscalculation and the Liberal Democrats were returned to power, with the smallest majority in the party's history.

Mr. Ohira's election miscalculation provided his enemies in the Party with an excuse to mount an attack on his leadership. At the end of 1979 almost half the parliamentary membership of the LDP refused to support him in a ballot for the premiership. Six weeks ago the opposition Japan Socialist Party introduced a motion of no-confidence against the Ohira Government, and anti-Ohira factions of the LDP boycotted the vote on the motion. The result was defeat for the Government and a dissolution of the Diet. The resulting tensions and the strains involved in preparing for a second general election may have dealt a fatal blow to Mr. Ohira's health.

Mr. Ohira was a non-denominational Christian (another unique characteristic among post-war Japan politicians), a keen golfer and an insatiable reader of books on history and current affairs. Summing up his own success in politics he once told an audience of foreign journalists that his greatest political asset was his smile. The smile that followed this remark convinced most of his audience that he was right.

Charles Smith
Far East Editor

MEN AND MATTERS

One more for Threadneedle St.

The long-term effects of monetarism, taken neat and in large doses, are largely unknown, although in the short-term it has produced headaches and severe disorientation among those not used to it.

How apt, then, that in a swish bar hard by the Federal Reserve Bank of St. Louis, the intellectual citadel of American monetarism, the barman should have concocted a particularly ferocious cocktail which produces a similar effect.

Based on white rum and dubbed Federal Reserve, it is popular during the happy hour among high priests from the Fed who have been known to discuss such unlikely subjects as the St. Louis Cardinals (a baseball team, I believe) under its influence.

Is there a lesson here for the keeper of the Bank of England's bar at New Change? He could brew his own beer, doubtless bland and with no inflationary froth. But I am thinking of something with a little more bite.

No prizes, but your suggestions for a suitable recipe and name will be welcomed. Only one rule: the cocktail must be drinkable. Ingredients such as vinegar, all arsenicals and Bank of England coffee are thus banned.

Lord-a-leaking

Is there a leaking Lord, a mole among the ermine? Consternation racked the Upper House yesterday over the advance disclosure in the Sunday papers and on radio of the Operation Julie judgment delivered by the Law Lords yesterday.

When the judgment was handed down, and proved to be precisely as predicted, there was great tutting and putting together of heads among lawyers and court staff. Officials blanched at pointed inquiries from less well-informed journalists.

The people who seemed least rattled were the Law Lords themselves. The unflappable Lord Diplock, who said he heard the prediction on the 7 am news, observed mildly that the BBC seemed to have "remarkable prescience."

Sorry, Lord Diplock. Apologies too, to the lawyer heard blustering: "Mole. . . phooey." My colleague who covers law and the courts has what sounds like a better theory. He claims to be at the end of one of the tendrils of a grapevine which spreads from the judicial bench through the Inns of Court to a certain hostelry in High Holborn, where, he implies, the secrets of the law are an open book over a bottle of claret.

Fighting back

Who am I to judge whether it is a change for the good, but I hear that Japanese company meetings may soon be more peaceable and longer-lasting than at present. Few last more than half an hour and many finish in five minutes—not for lack of interest among shareholders, but mainly because of the activities of a breed of pin-striped thugs who have had the corporate world hamstrung for some years past.

These are the *sokaiya*—literally "stockholders' meeting manipulators"—who have progressively infiltrated the financial world. They offer their services to companies for retainers ranging up to hundreds of pounds a month as strong-arm men to keep dissident shareholders quiet at meetings.

And they have found to date that few boards have rejected their offers, principally because of the threat that should they not be taken on the payroll they will volunteer company secrets to shareholders or details of the extra-mural activities of senior executives. Their access to confidential information comes via strong connections with underworld specialists in vice and corruption.

Police say there are more than 5,000 *sokaiya* in Japan, and estimate that almost 3,000 companies listed on the country's three main stock exchanges paid out something like £90m in retainers last year. Now, however, more than 1,000 companies have decided they will not submit to blackmail. They have formed an organisation whose resolve to resist will be tested at this month's coming round of bi-annuals.

In the past, fearful of the blackmailers' threats, they have borne the expense and harassment, but the pioneers have now begun to ask the police for protection. The publicity given to their co-operation has begun to prove almost as embarrassing as the threats, and the police are eagerly awaiting their chance to beat last year's score of 243 *sokaiya* arrests which included that of master manipulator Kaoru Ogawa, who was reputed to "earn" more than £500,000 a year.

Jay's omission

The recently-published third volume of a ponderous work telling the story of Courtaulds from 1940 to 1965, and providing many insights into the top-level battles of that period, falls tantalisingly short of an explosive stand-off in 1970 recounted in acerbic detail in Douglas Jay's autobiography, Change and Fortune.

Appointed a non-executive director of Courtaulds in 1967, Jay was nudged out in 1970 after a fracas over a notion from Frank (later Lord) Kearton. The then chairman and the younger eagles on his board were keen to take over "a major British pulp-producing and publishing combine," writes Jay.

Despite a lengthy "monologue à deux," he adds, he insisted that since Courtaulds had no experience in the area, he could not support the plan. His doubts were shared by fellow director David Eccles, who is reported to have likened the proposed liaison to "marrying a prostitute."

However candid his recollections, I fear Jay fails to lift the veil completely and identify the object of Kearton's attentions. We shall probably have to wait for volume four of the Courtaulds saga for the omission to be made good with the revelation that the intended was the IPC Daily Mirror Group. Oops.

And the scent?

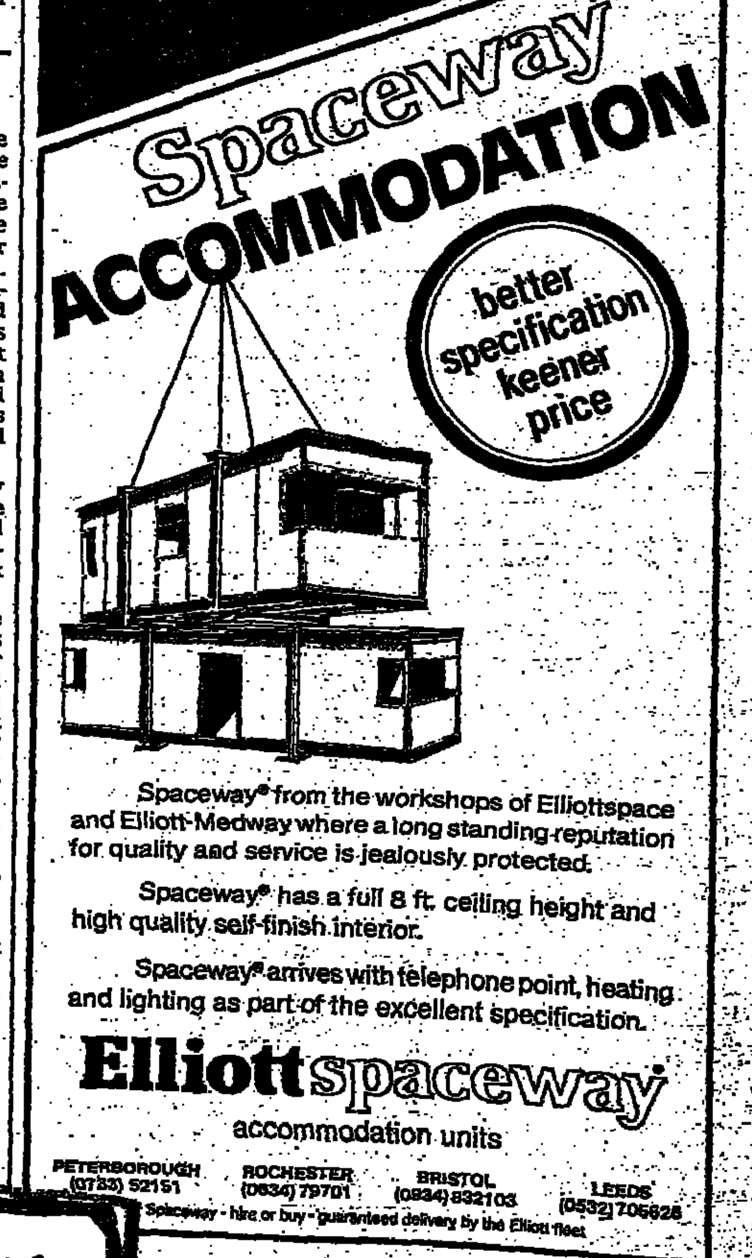
Eight years in the equable climate of New Zealand have done great things for the temperament of renowned rose breeder Sam McGredy since he emigrated from the "murder triangle" of Northern Ireland. He left behind a profitable business employing 134 people, and a life in which everything was done at the double. Now, at walking pace, he runs a one-man operation in Auckland's Hauraki Gulf with ample time for his flower breeding, boating and fishing in the Pacific.

He has not, however, lost any of the hard commercial sense which earned him a fortune and a reputation among the botanical purists as a commercial hack (his words).

Some of his roses are christened for love, but others purely for money. Consider the Marie Elizabeth, named after a can of sardines, and the Benson and Hedges. At present he is touting around for another nominee prepared to pay £15,000 to christen a new cutivar whose colour is described as that of tomato ketchup — a hint if ever I heard one.

Monkey business

For francophones only. What must be the slip to out-Freud the Freudians appears in a recent French-language edition of the European Community's Official Journal. A paragraph on the "three wise men" who last year examined the right- and wrong-doings of the Brussels bureaucrats, describes them as "le trois singes."



POLITICS TODAY

Can Mr. Healey reform the party?

MR. DENIS HEALEY is quite likely to become leader of the Labour Party before the end of the year. Such a development is based on two assumptions. The first is that the method of election is not changed at the Party Conference in October and that the leader continues to be chosen by the Parliamentary Party. The second is that Mr. James Callaghan will resign when the Conference is out of the way.

It is impossible to say more about the first assumption at present, except that that is how the betting is going, and not only on the right of the party. As for Mr. Callaghan's position, the best case for his staying is to allow more time for a natural successor to emerge and perhaps to reach an understanding with the unions over how they would co-operate with a future Labour Government. The bulk of the Parliamentary Party, however, seems to have concluded that the natural successor is Mr. Healey, and that it would be better to let him get on with the job.

If Mr. Callaghan goes in the autumn, he can do so gracefully. If he stays, he runs the risk of the party becoming restive about his position.

The ease with which Mr. Healey is elected depends partly on a self-denying ordinance among other potential candidates on the centre and the right. He is not thought to command all that many first preference votes: the figure of about 60 is being mentioned. Thus if Mr. Roy Hattersley, Mr. William Rodgers, Mr. Roy Mason and Dr. David Owen were to stand against him, his performance on the first ballot would be somewhat cramped. The word at the moment is that they may all stand down, but the temptation to run will be strong—if only to make a mark for the future. If one of them breaks ranks, the others will almost certainly follow. Still, there is a widespread belief that Mr. Healey will win in the end.

The opposition on the Left is likely to come from Mr. Eric Heffer, who has already committed himself to standing, Mr. John Silkin, Mr. Peter Shore and, possibly, Mr. Anthony Wedgwood Benn. Mr. Benn's position is queried because he could decide not to run on the perfectly reasonable ground that he disapproves of the method of election. In any case, he would be unlikely to receive many votes from the Parliamentary Party.

Mr. Shore is in the curious position of being identified with the Left because of his views on British membership of the European Community, though in fact he is well on the right of the Party on most other issues. Both he and Mr. Silkin, a left winger who might pick up some right wing anti-Market votes, are regarded by Mr. Healey's supporters as being quite serious candidates, but beatable. The one real fear being expressed is that Mr. Silkin might do sufficiently well as runner-up for Mr. Healey to be lumbered with him as deputy leader.

So much for the assumptions and calculations, which could of course substantially change with time. Much less has been said, and is being said, about what Mr. Healey would do with victory.

There is a fashionable view among journalists, which Mr. Healey seeks to refute, that very little is known about where he stands and what he thinks. And it is certainly true that there is no great *ouevre*, no *Future of Socialism* to his credit. Last year Mr. David Marquand, a former Labour MP now associated with Mr. Roy Jenkins and his idea of a realignment of the radical centre of British politics, wrote an article for Encounter that was extremely critical of the Labour Party. Mr. Healey wasasked to respond. "I am afraid I am too busy to comment on David Marquand's piece," he wrote to the editor. "In any case that kind of stale academicism among Labour intellectuals is one of our major problems."

Yet it is also true that when Mr. Healey does write, he does so with distinction. His contribution to the winter 1979-80 issue of Foreign Affairs entitled "Oil, money and recession" is a masterly summary of the problems of the market economies faced with rising oil prices and a declining rate of growth.

> **"Socialism is a means of giving real help to real people."**
>
> **Denis Healey**

There is something else. Turn on the television or the wireless and the politician you are most likely to see or hear is Denis Healey. Any Questions? The World At One, Panorama—Mr. Healey does the lot. He also claims to make an average of three speeches a week around the country. There is just a touch of the standard opposition politician's complaint that the Press won't print them.

The two qualities that come out most are unusual to find in the same person. One is the exceptional intelligence and the other is the common touch. It is impossible to imagine Mr. Healey in intellectual difficulties with officials, or indeed with anyone else. Yet it is the same man who appears to be so at home—the opinion polls show it—with working class people, especially in the North. It is the people in between with whom he seems to have problems: for example, sections of the Parliamentary Party which he has never bothered to cultivate, and parts of the Press.

The common touch comes out in the dislike of theory and the readiness to use simple language. "Socialism," he said in the Sara Barker memorial lecture last year (one of the very few key Healey texts), "is a means of giving real help to real people." It may be the closest he has ever come to giving a definition. Yet he also knows more about the development of socialism in Europe and all the ideological struggles than any other member of the House of Commons. He has remarkable international contacts. This experience would be bound to have an influence on his handling of the Labour Party.

There has been a good deal of talk over the years about Labour's Bad Godesberg. The reference is to the conference of the West German Social Democrat Party (SPD) in 1959 at which the Party reacted to successive election defeats by fundamentally changing its programme. In brief, it ceased to be Marxist and became bourgeois. It went on to attain power as a result. Sooner or later, it is said, Labour will have to have an equivalent conference, perhaps after another election defeat by Mrs. Thatcher.

Mr. Healey knows all this. Yet one suspects that what he wants is to be able to implement a Godesberg programme without having to fight to change the Party constitution. The adoption of the SPD programme was explained later by Herr Herbert Wehner, a former Marxist who is sometimes suspected of never having changed his spots, as a policy of "adaptation to the mood of the West German voters. Whoever wants to do something here must attempt to win over the people just as they are." It is difficult to come much closer to the language of Mr. Healey talking about "meeting the real needs of real people."

The Godesberg programme contains one phrase that is the essence of pragmatism: "As much planning as necessary and as much freedom as possible." One suspects that that, too, would be Mr. Healey's approach. As he said in the Sara Barker lecture: "The fact is that we shall do best if we continue to operate a mixed economy in which the operation of market forces is controlled by the Government either through legal rules or through direct intervention. The only question is where the boundary should be set in particular cases between state intervention and the market." (That "only question" is still a very big one.)

The SPD, in its German way, broke with Marxism by formally voting to change the rules. Mr. Healey has probably had enough of the constitutional battles which go back to the days of Hugh Gaitskell and which have led only to trouble. He would prefer to coax and bully the Party around to living in the 1980s while leaving the constitution alone.

Yet there are still certain European lessons of which he is aware. The European socialist parties which have flourished are not those which have split. Compare the German Social Democrats, for example, to the Italians. Anyone who leaves a socialist party to set up, or to join, a new party to the right of it only makes it more difficult for the reformists who remain. The best approach to reform is reform from within.

Glyn Genin

Mr. Healey: intelligent, pragmatic, internationalist.

The European lesson is also that it is better to adjust to circumstances than to behave as if nothing had changed. Some of the changes for the better have actually been brought about by socialist policies being put into practice. If in the process of *embourgeoisification* the people come to want different things, it is the socialist party which should adjust. That is what happened in both Germany and Austria.

Of course, some of the Marxist or fundamendalist elements will remain: they do in the SPD. But at least you can contain them by the promise of winning elections, and of achievement.

The politician whom Mr. Healey most obviously admires is the West German Chancellor, Herr Helmut Schmidt. They are old friends with broadly similar careers. Both were defence ministers and then finance ministers. Mr. Healey says that he owes any unpopularity he has experienced in the Labour Party to having held those posts. Clearly he would like to run the Party as Herr Schmidt runs the SPD, and indeed run Britain as Herr Schmidt runs West Germany.

Herr Schmidt, however, has at least one major advantage. He heads a coalition with the liberal Free Democrats. If his own left wing threatens to become stroppy, he can say that the liberals won't wear it. As a pragmatist, he can also say (or at least hope) that the electorate will not vote for an overall SPD majority. The Germans have a system of proportional representation, whereas Britain does not.

That brings us briefly to Mr. Roy Jenkins and his speech this week. It is entirely healthy that the existing system should be challenged. Yet Mr. Jenkins's chances of success depend not only on what happens to Mrs. Thatcher's economic experiment, but also on the Labour Party succession.

If Mr. Healey does become leader, the party could still be transformed from within. It could be intelligently and pragmatically led and, above all, internationalist. The odds against Labour adopting a *de facto* Bad Godesberg programme are pretty formidable. The party political broadcast on Wednesday evening, which called for what amounted to unilateral nuclear disarmament, was a striking example of how the Left has its hands on the machine, and must have again brought Mr. Rodgers, the Shadow Defence Secretary, to the brink of resignation. But at least Mr. Healey should be given the chance to fail. He might succeed.

Malcolm Rutherford

Letters to the Editor

Moratorium on building

From the Director General, The Federation of Civil Engineering Contractors

Sir,—A moratorium on new work to be let by Local Authorities (June 12) would be a severe blow to the civil engineering industry. Some 90 per cent of our work is in the public sector and about half of that is local authority work.

Since 1973 the industry has suffered a succession of cuts in its workload with the result that it is now operating at half its potential capacity. Moratoria on capital investment, leaving current spending untouched, in no way solve the basic problem. This would in fact be a return to the failed "stop-go" policies of earlier administrations; a short-term expedient leading to a longer-term loss of national and industrial efficiency.

The failure by successive Governments to invest in Britain was highlighted in the recent report "The British Economic Base" by Mr. W. A. P. Manser, Economic Adviser to Baring Brothers. Between 1972 and 1978 public investment in the National infrastructure declined by 19.5 per cent. The report also showed that between 1961 and 1978 employment in the health service, education and social services actually doubled, yet at the same time hospital beds available fell by 14 per cent and full-time school attenders rose by only 26 per cent. These figures are surely a significant pointer to where the problem lies.

This Government must not fall into the same trap as previous administrations—which, when in opposition, they rightly castigated. The nettle of controlling current spending must be grasped; a moratorium such as that suggested in your article can only make the economic situation worse.

Derek Gaulter.
Cowdray House,
6, Portugal Street, WC2.

NEB's stake in Ferranti

From Mr. R. J. Hardie and others

Sir,—We were disturbed to read reports of the Prime Minister's reply to a question on the proposed disposal of the NEB shareholding in Ferranti. To dismiss the fears of the employees with a statement that the Government and the NEB had assisted Ferranti during a very difficult period and no longer needed that assistance, misses the mark by a very wide margin indeed.

The necessary injection of public capital following the financial crisis of 1974, together with the unique blend of skills and expertise assembled within the workforce have returned the company to profitability, and it has regained the status of a lot fit for auction.

It should be seen however, as more than that.

The transition has involved some pain and some conflict. There have been some redundancies in the North West group of factories, but in total jobs have been created, in no small measure due to an imaginative programme of diversification and innovation. All this is in stark contrast to the overall decline in engineering employment over the same period. Ferranti's presence in Scotland and the NW of England has helped mitigate the desperate employment situation in hard hit areas of the UK.

But not all the company's activities are profitable. Some are marginal, speculative and above all innovative. They are also exactly the sort of ventures necessary if we are to avert the deindustrialisation of Great Britain.

The NEB have a role as guardian of the public interest. If their shareholding were sold there could be no guarantee that the buyers—whether institutions with little experience or knowledge of the electronics industry, or present competitors—would not abandon projects in fields such as micro-electronics and computer aided design and manufacture, on perfectly legitimate commercial grounds, with dire consequences for the long term common good.

The sale of the NEB shareholding would be not only unnecessary but unwise. The contribution to a reduction of the Public Sector Borrowing Requirement would be derisory and the contribution made to the public purse, in dividends, and in taxation of both the company and its employees would be put in hazard.

We would end by quoting the 1980 Progress report of the Electronics Components sector working party.

"Our work over the last four years however, convinces us that the need is now greater than ever to seek common solutions to common problems. Competition is a vital spur to progress, but competitive forces alone are not enough. Government support; union involvement in planning for rapid technical change; co-operation between companies to achieve rationalisation; greater communication within the industry and with other industries—these are also vital to the success of our sector, and indeed to the success of the economy as a whole."

We hope that some attention may yet be paid to such constructive thinking that the pretence that the NEB is not and should not be influenced by Government will be dropped, and the sale of the NEB shareholding abandoned.

R. J. Hardie,
EC Member of AUEW-TASS.
R. G. D. Dalgleish, Edinburgh District Councillor.
A. Russell, Drawing Office Representatives.
W. Colquhoun.
21, Cambridge Gardens, Edinburgh.

Company registration

From Mr. J. J. A. Cowdry.

Sir,—Whilst the procedure to strike off a Company pursuant to Section 353 of the Companies Act 1948 advocated by the Registrar of Companies in his letter published June 6 may be simpler for the Companies Registry than a voluntary liquidation, it is not applicable in my experience to many situations. To invoke the striking off procedure may be both an abuse of the Companies Acts and costly. The Companies Act 1948 provides for a Company to be wound up by a Liquidator, the Creditors to be paid and any surplus assets distributed; Section 353 empowers the Registrar to strike off the Company and the assets, if any, to be bona vacantia and belong to the Crown, the Duchy of Lancaster or the Duke of Cornwall. Thus if the Company has any assets to invoke the Section 353 procedure is wrong, unless the Directors wish to make a gratuitous gift to the Crown etc., and this it is submitted is a breach of a Director's duty of care.

As it is necessary for any aggrieved member or Creditor to apply to the Court to restore the Company to the Register if any assets are overlooked before carrying out the prescribed winding-up procedure, no doubt you will draw to the attention of your readers, that the restoration procedure involves the payment of the fees of the Applicant's Solicitors, possibly a Barrister, the Court and the Department of Trade at the Hearing.

J. J. A. Cowdry,
Director,
The London Law Agency.
Temple Chambers,
Temple Avenue, EC4.

Machine tool malaise

From Miss Anne Daly.

Sir,—As one of the authors of the National Institute's study on the machine tool industry, might I comment on recent letters regarding the training of craftsmen in Britain. I cannot accept that "time-serving" as a basis for completing apprenticeship is now no more than a "myth," as Mr. Walshe suggests (June 6). The Think Tank's recent report (p.22) also came to the conclusion that there was still a need for "objective standards to be laid down by which qualifications may be judged"; and this was fully borne out in our study of the machine tool industry.

In our study of this industry in Britain, America and Germany, we were interested in explaining current differences in productivity, and therefore in comparing the training systems that had produced the current stock of craftsmen. In Britain, the vast majority of craftsmen have undoubtedly been trained under the time-serving basis, which contrasts with the more rigorous test-based system in Germany. There may well have been improvements in the past decade in the training given under the Engineering Industry Training Board's module system; but the important point remains that in order to be recognised as a qualified "craftsman" in the trade, there is still no requirement for an apprentice to follow these courses, nor to pass an externally-assessed examination in the skills taught. The passage of time is a sufficient condition.

The EITB courses may be well-designed, but unless appropriate economic incentives can be agreed upon to encourage their use, they can contribute little to overcoming the problem Britain faces in developing technically-advanced industries.

We do not believe (and did not intend to suggest) that the only problem facing the British machine tool industry was related to the training of craftsmen. We agree with Mr. Davis (June 11) that a shortage of well-trained technicians, design and production engineers has also created serious difficulties for the industry, as was indeed explained in our article. The supply of these higher skills (using the word in a general sense) is also affected by the lack of testing and certification among our "craftsmen," as they do not have a recognised qualification which can be used as a basis for further study. This is in substantial contrast to the German system where, for example, 25 per cent of qualified engineers had completed an engineering apprenticeship.

These problems of training and vocational education are very general in British industry and Mr. Walshe seems to agree that the existence of the EITB has not solved all these problems in engineering. The manifold activities of the training boards in general cannot, in our view, as yet be taken as a sign that fundamental questions no longer need be asked about vocational training in Britain, and of the organisational framework in which it should take place.

Anne Daly.
National Institute of Economic and Social Research,
2, Dean Trench Street, SW1.

Not a lot of policemen

From Mr. A. C. Berry

Sir,—Mr. Ferguson's timely comments (June 10) about the lack of law enforcement as far as minor infringements are concerned deserve wider discussion. The official response would be, no doubt, that there are insufficient policemen to deal with all the misdemeanours occurring on the streets every day but what is increasingly obvious, for whatever reason, is that the police no longer keep "law and order" as they used to do.

The dangerous practice of cycling on the footpath, which Mr. Ferguson draws attention to, is a typical offence that has been allowed to mushroom mainly as a result of a policy of non-interference by either the policeman on foot or in a panda-car.

As well as the litter laws that Mr. Ferguson mentioned, I could add indiscriminate parking (often on the pavement or double yellow lines), vandalism and rowdyism as examples of a growing number of offences that are ignored or inadequately dealt with by the enforcement authorities.

What is particularly worrying is that much of this law breaking is anti-social behaviour which present and future generations honestly believe is permissible under this policy of non-enforcement by the police. It seems that if enough people break a law by simply ignoring it, that law becomes too much trouble to enforce and goes by default.

Mr. Ferguson is right, in my opinion, that we need more policemen on the beat. All too often, police presence is noticeable by its very absence. Thus the deterrent effect that used to be relied upon has disappeared.

Although large pay awards have helped to improve police recruitment, it seems to have done very little in some areas. Where I live, for example, only two officers are to be found on duty at certain times of the day and night, which clearly is a far from satisfactory situation.

From my discussions with individual officers, I have been alarmed by their attitude of apathy and indifference towards minor crime and therefore something needs to be done about police morale and the quality of recruitment.

A. C. Berry,
21, Traherne Lodge,
Walpole Road,
Teddington, Middlesex.

Today's Events

GENERAL

UK: Lord Thorneycroft, Conservative Party chairman, starts two-day visit to North Wales.

The Queen opens new medical education/clinical building, St. Bartholomew's Hospital.

Sir William Barlow, Post Office chairman, presents the first Martlesham Medal, awarded to P.O. staff for the "most impressive piece of engineering technology."

Mr. Stanley Orme, Opposition health and social security spokesman, addresses South Derbyshire NUM summer school, Blackpool.

Prince Philip, as president, presents British Amateur Athletic Board trophies for 1978-1979; as president of City and Guilds of London Institute, presents the Prince Philip Medal for 1980, Buckingham Palace.

Mr. John Stonehouse applies for discharge from bankruptcy, London.

Sir Peter Gadsden, Lord Mayor of London, dines with Feltmakers' Company, Mansion House.

Essex County Agricultural Show opens, Chelmsford (to June 14).

Salvador Dali retrospective exhibition opens, Tate Gallery.

Overseas: Common Market Heads of Government summit meeting in Venice concludes.

PARLIAMENTARY BUSINESS

House of Commons: Debate on Report of Finniston Committee on Engineering.

House of Lords: Employment Bill, committee.

OFFICIAL STATISTICS

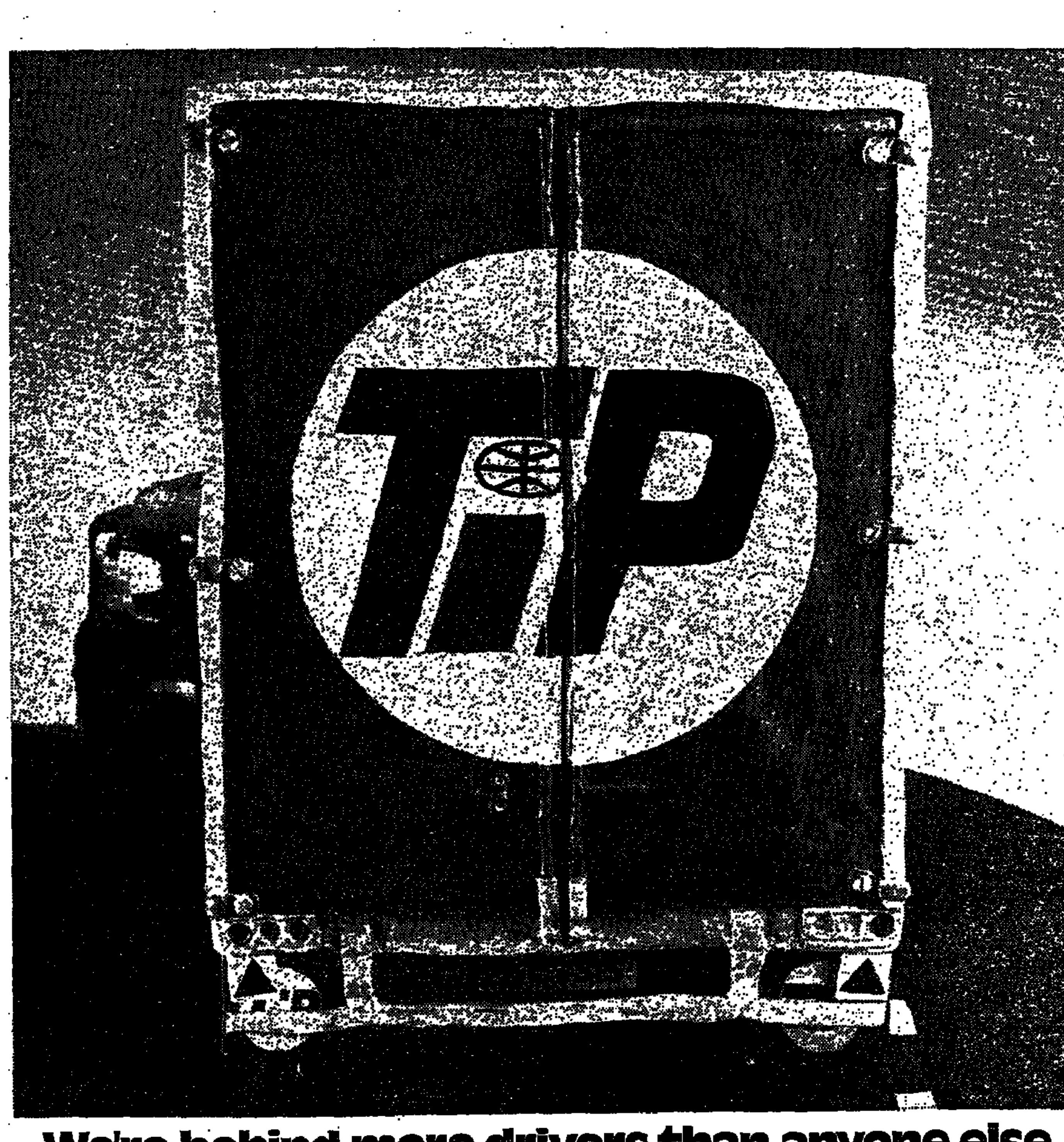
Retail prices index (May). Tax and price index (May). Building societies' monthly figures (May).

COMPANY MEETINGS

L. J. Dewhurst, The Royal Station Hotel, York, 12. Higgs and Hill, Waldorf Hotel, Aldwych, WC, 12.15. Harold Perry, Royal Automobile Club, 89 Pall Mall, SW, 12. Petrocon Group, Petrocon House, Rosemount Avenue, West Byfleet, Surrey, 12.30. Roberts Adlard, Institute of Directors, Pall Mall, SW, 12. Sunlight Services, London Westbury Hotel, Bond Street, W, 12. Taylor Woodrow, The Warehouse, 52 St. Katherines Way, E, 12.

COMPANY RESULTS

Final dividends: Alpine Soft Drinks. Andersons' Rubber. Highgate and Job Group. Pilkington Brothers. **Interim dividends:** Arthur Guinness Son. **Interim figures:** Tomkinsons Carpets.



We're behind more drivers than anyone else, that's why we're in front

Its a fact: you'll find more TIP trailers behind more traction units than any other name. Because we have more trailers to rent than anyone else.

We have more different types of trailers than anyone else.

We're in more countries than anyone else.

We have more branches across Europe than anyone else.

We have more experience than anyone else, because TIP was the first trailer rental company in Europe, with a history that goes back ten years.

That puts TIP right to the fore.

So if you're already convinced that renting trailers is better than investing capital to buy your own, make sure you use the trailer rental company that can offer you the trailers you need, when you need them, where you need them.

TIP Trailer Rental, Star House, 69-71 Clarendon Road, Watford, Herts.
Branches throughout the UK, Belgium, Denmark, France, Germany, Sweden and the Netherlands.

A GELCO COMPANY

THE TRAILER RENTAL COMPANY

Chloride profit slumps to £18.7m: dividend cut

A virtual collapse in demand for automotive batteries during peak selling months in the UK and the U.S., was a major reason for the dive in pre-tax profits of the Chloride Group from £29m to £18.7m in the year to March 31, 1980.

Production was reduced and resulted in some 700 redundancies in the UK costing £2.7m, charged against the year's profit, the directors say.

	Year 1979-80 £m	1978-79 £m
Auto. sales Europe	156.8	142.7
Indust. sales Europe	147.9	134.8
Inter-co. sales	88.1	81.1
American ops:		
Batteries, metals & systems	75.2	68.4
Overseas ops:		
Batteries, metals, plastics & systems—		
Australasia	28.1	25.4
Asia	33.3	26.8
Africa	32.9	29.3
UK companies	174.4	156.1
Non-UK companies	211.7	190.0
Total sales	386.1	346.1
Auto. Europe profit	6.2	8.0
Ind. Europe profit	9.6	11.7
American ops:		
Batteries, metals & systems	3.6	5.2
Overseas ops:		
Batteries, metals, plastics—		
Australasia	2.2	1.7
Asia	5.2	5.0
Africa	5.1	3.7
UK companies	15.0	17.9
Non-UK companies	16.9	17.4
Operating profit	31.9	35.3
Redundancies	2.7	—
Associates' profit	1.8	1.3
Interest	12.3	7.6
Profit before tax	18.7	29.0
UK tax	2.8	3.2
Overseas tax	6.9	6.9
Net profit	9.0	18.9
Minorities	1.7	1.4
Attributable	7.3	17.5
Extraord. debit	—	0.2
Dividends	5.1	7.8
Retained	2.2	9.5

The year's dividend is being cut from 6.1p to 4p per share with a 2.3p final. The reduction has been made to conserve funds to the extent of £3.8m, taking into account the current high interest rates, dull trading and general state of the economy.

Trading conditions are expected to remain difficult for at least the first six months of the current year, the directors add. While it is unwise to forecast too far ahead, they believe there could be some improvement for the group starting some time in the second half of 1980-81.

The directors had already warned of a possible downturn in 1979-80 when reporting first half profits of £11.6m (£12.1m), but conditions were even more difficult than expected in the second half.

Stated earnings per share are 11.9p (20.4p) before tax and 5.8p (13.8p) on a net basis. On a nil basis they are 7.1p against 16p.

The fall in demand for batteries was due to the unusually mild winter and higher interest rates which caused distributors to delay restocking. The fall in Europe and the U.S. was the worst the industry has experienced for more than 25 years, the directors say.

As a result the group sold 12 per cent fewer automotive batteries in those markets. Overall lower automotive unit sales reduced operating profit by almost £4.5m.

However, other overseas operations had another excellent year with good profit increases in Australia, India and South Africa, the three largest overseas companies.

Net borrowings rose from £73m at March 31, 1979 to £93m at the 1979-80 year-end due to increases in working capital as a result of inflation and time lag in adjusting stocks to the lower sales and partly due to the inability of the reduced profit to provide sufficient funding.

Capital expenditure was cut back to £18.5m—down £2.4m on the previous year.

Of the interest charge, £2.6m arose from higher interest rates and £2.6m from higher borrowing levels, mainly caused at the higher average price of lead. The increase in interest—from £7.6m to £12.3m—was offset by £0.5m due to exchange rate changes.

Lex, back Page

HIGHLIGHTS

After a series of top level executive changes the Hill Samuel results show that the group has been hit by losses from insurance broking, but the banking side has done better and the Lex column considers the chances for progress from the group in the current year. Elsewhere Lex discusses the dividend cut by Chloride which comes against the background of a sharp decline in demand for automotive batteries. In contrast Northern Foods reports a 23 per cent increase in pre-tax profits to £14.3m for the six months to March. Finally Lex moves on to the full-year figures from British and Commonwealth showing a 7½ per cent improvement in pre-tax profits with the shipping side back into the black. On the inside pages Applied Computer Techniques, which came to the 163 market last year, pops up with an £800,000 rights issue.

Staveley makes strong second half recovery

AFTER a chaotic first half when profits of Staveley Industries slumped from £5.43m to £1.53m, the group made a strong recovery in the second six months and completed the year to March 29, 1980 with a pre-tax figure of £7.31m compared with £11.25m previously.

Net earnings are stated as 41.7p against 62.6p but a final dividend of 8.5p lifts the total from 12p to 13p per share.

The directors say that short of a repeat of completely unforeseen outside disturbances, an improvement in the group's performance is expected for the current year. As in past years, the second six months should be better than the first.

Turnover for the year improved from £154.15m to £175.58m and of this, £48m or 27 per cent was earned overseas, including £21m exported direct from the UK. Results of the Nortec Corporation of the U.S. are included from May 16, 1979.

Extraordinary debits in the year of £3.28m (£605,000) relate mainly to the cost of rationalisation and closures. The group invested £7.9m (£9.2m) in fixed assets and the internal capital expenditure programme is continuing, the directors say.

A reduction in bank overdrafts from £8.56m to £3.93m is due to a rearrangement of the group's borrowings from short term finance to medium term loans.

An analysis of turnover and trading profit—£10.28m (£12.72m) — shows (£'000's omitted) electrical and mechanical services, £41.93m (£34.95m) and £0.96m (£2.03m), foundry products and abrasives, £32.46m (£30.97m) and £0.95m loss (£1.29m profit), machine tools and engineering, £29.31m (£32.01m) and £1m (£2.05m), mineral products, £26.74m (£20.99m) and £6.08m (£4.96m), Salter, £18.25m (£14.67m) and £1.63m (£1.72m) and North America, £26.38m (£20.54m) and £1.56m (£0.67m).

The loss in the foundry products and abrasives group, followed the CSEU action in the autumn of 1979, and the steel strike in the winter of 1980, as well as a depressed market combined with high prices for scrap during the first half of the year.

The closure of one of the two pig from plants on the Darlaston site, acknowledges the continuing decline in the UK market for pig iron, and at the beginning of May 1980, directors proposed the sale of the steel abrasives division to Wheelabrator Allevard.

Considering the problems that the machine tools and engineering group had to face, the results reported reflect a very creditable performance in several divisions, particularly at Kearns-Richards and Lapointe.

● comment

After a rough year fraught with painful closures and substantial foundries and abrasives losses, the Staveley share price is within a few pence of the 1980 high at 197p, up 4p yesterday. But while it could be argued that the shares are overvalued on a fully taxed p/e of 10.8 (ignoring exceptional costs) and a yield of 9.6 per cent on the increased dividend, profits do seem fit for a substantial recovery. That prospect may be taking a charitable view of the group's continuing foundry exposure but Drummond has been trimmed back to an assembly and marketing basis and the rest of the machine tool division should not need further remedial action. Elsewhere, lower scrap prices provide the key to an improved foundry and abrasives performance despite the Bradley and Foster sale which takes out perhaps £700,000 of trading profits assuming a (notional) 15 per cent return on capital. The dominant minerals division is unlikely to fall back after four good years and the North American activities are now contributing strongly. On top of that, there are substantial, if unquantified, strike losses to be clawed back and it is worth noting that Staveley has taken at least a fifth of its pruning costs above the line. They are not expected to recur. Finally, gearing is still reasonably comfortable and a sizeable chunk of debt has been lengthened.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Amber Indl.	2.5	Aug. 4	0.64	2.5	2.14
Brit. and Cmwlth.	7	Aug. 1	5.84	12.5	10.59
Brit. Car Auction ...int.	1.25	July 31	0.67	—	2.87
Brit. Cinematograph	2.1	—	1.75	2.1	1.75
Caledonia Invs.	7	Aug. 4	5.53	12.5	9.65
Chloride	2.3	Aug. 12	4.5	4	6.1
A. Cohen	4.44	Aug. 29	4.03	6.8	6.38
Crosby Spring	0.63	July 26	0.55	0.87	0.79
Dwek Group	0.24	—	0.22	0.24	0.22
Electra Invest. Trst.	4	July 31	3.8	7§	5.8
James Finlay ...2nd int.	3	July 28	2.5	5.75	5.08
Thomas French ...int.	2	Aug. 29	1.4	—	4.5
Mansfield Brewery	2.28	—	1.99*	3.25	2.83
Nthn. Foods ...int.	2	Aug. 29	1.65	—	4.5
Saatchi and Saatchi int.	2.64	Sept. 30	2.11	—	4.79
Hill Samuel	4.02	Aug. 4	3.49	5.85	5.32
Scott's Restaurant	3.2	—	2.16	3.2	2.16
Staveley	8.5	Aug. 4	7.51	13	12
The Times Veneer	0.3	July 28	0.23	0.6	0.48
UKO Intnl.	6.48	—	6.48	9.68	9.68
Utd. Spring Steel ...int.	0.94‡	July 31	0.61	—	1.9
Valor	1.89	—	1.43*	2.66	2.0
Brent Walker	1.4	July 17	1.03	1.75	1.3

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for script issue. † On capital increased by rights and/or acquisition issues. ‡ Increased to reduce disparity. § Includes special non-recurring payment of 0.5p. ¶ Included special payment of 1.53p. || Included special interim of 1.5p

Hill Samuel's broking losses

A DROP from £7.73m to £7.69m in after tax profits is reported by Hill Samuel Group, merchant banker, assurance and investment concern, for the year to March 31, 1980. But this figure is before a deficit of £1.75m compared with £1.22m for exchange differences and an extraordinary loss of £969,000 against a profit of £590,00.

Net group profit after tax and these itsems comes out at £4.97m —a drop of £2.13m.

Disclosed profit of the merchant banking division was £6.9m against £4.56m, but there were investment losses of £94,000 compared with a profit of £387,000. Insurance broking also returned losses of £1.55m (£1,000), but life assurance and investment management improved from £1.13m to £1.18m. Employee benefit services were up from £1.76m to £1.96m, and shipping services and other activities were higher at £1.17m (£1.15m). The last-named profit is stated after credit for £375,000 release of prior year tax provisions.

The extraordinary loss of £969,00, after tax, comprises £1.45m in respect of re-location costs of the insurance broking division, less £478,00 surplus arising from the sale of trade investments.

Central costs, including interest, amounted to £1.88m compared with £1.26m.

At March 31, 1980, group consolidated balance sheet totals were £1.55bn compared with £1.41bn in the previous year. This excludes insurance companies which are not considated.

The total dividgnd is raised from 5.852p with a final of 4.018p. Disclosed earnings per share, after tax but before exchange differences and extraordinary items, are 11.94p (12.05p).

Lex, back Page

DARES ESTATES

Dares Estates is to issue 579,153 ordinary shares to Properties Capital Investments SA as further consideration for the purchase and development of Montrose House, London, SW1.

Applied Computer £0.8m rights

Applied Computer Techniques, the Birmingham-based computing services group that came to the market in March, 1979 under Stock Exchange rule 163 (2), is raising £800,000 by way of a one-for-10 rights issue of 302,500 new ordinary 10p shares at 280p.

The company also announced yesterday pre-tax profits of £720,083 for the year ended March 31, 1980, up 93 per cent from £372,455. Turnover was £5.6m (£3.1m). A final dividend of 1p net has been declared, making a total 1.5p compared to 0.7p in the previous year.

The shares gained 10p yesterday to 335p.

The company, whose business in the past few years has been based mainly on its computer service bureaux, expects sales and rentals of its micro-computer systems to become increasingly important.

Proceeds of the rights issue, believed to be the first made by a 163 (2) company, are to be used mainly to finance stocks and rentals of these machines.

"The expected development of these new activities... will change the overall balance of the company's business and will, therefore, affect the pattern of its cash flow," the company said in its issue circular.

The directors say that they expect to operate well within the company's overdraft limit for the remainder of the year, but they want to have sufficient funds to take advantage of any acquisition opportunities that may arise.

The new shares are being allotted to shareholders on the record on June 9, 1980 for acceptance not later than July 4. Fractional entitlements will be sold for the benefit of the company.

Mr. Roger Foster, managing director, said the directors and their families, who control about 50 per cent of the shares, would not be exercising "the vast majority" of their rights. Neither he nor Mr. Lindsay Bury, the chairman, who between them hold 28 per cent, would be taking up any of their rights.

He said the current year has started with a further advance in turnover and profits and "the order position is very satisfactory, considering the depressed state of the economy generally." The directors intend to recommend dividends on the enlarged share capital of not less than 1.5p per share.

The company predicts that current cost accounting, which will be included in the current-year accounts, will have a favourable effect because of the recent date of acquisition of fixed assets, the use of hire purchase to finance them and the trend in recent years for the replacement cost of computers to decline.

ACT intends to seek a full listing of its ordinary shares before the end of 1980. Mr. Foster said yesterday that the company "has behaved in every way as a listed company" but has accepted the advice of its financial advisers to wait until its profits are slightly larger.

Brent Walker rises 42.7% —sells off Cairo interests

AN INCREASE of 42.7 per cent in taxable profits from £651,655 to a record £930,219 is announced by Brent Walker, the leisure group, for 1979. Turnover advanced by 25.3 per cent to £11.1m.

At halfway profits had risen to £360,617 (£193,273) and directors said they were confident of satisfactory full-year results.

After a tax credit of £90,345 (£201,247 charge), net profit came out at £1.02m against £450,408 giving earnings of 14.58p (6.43p) per 5p share.

The divident is increased from 1.38217p to 1.75p net per share with a final of 1.4p.

The directors say that all divisions had a successful year. On May 29 the group was informed by the IBA that its consortium Radio Eastway, in which it holds a 7.5 per cent stake, had been awarded the five-year commercial radio franchise for south east Essex.

The group has sold its interests in Cairo to its partners in the El Shams hotel and tourism company, Artoc Sak. The total settlement provides Brent with a "healthy profit" on its investment in Egypt over the last four years.

However, a loss was made on the sale of its shares in Artoc, owing to strong sterling and in the final negotiations of an overall sum for three items in the settlement: the share investment within Artoc; the management of the technical services agreement for the building of the hotel; the management agreement for the running of the hotel for 20 per cent of the gross operating profit of the hotel.

Payment will be made in two tranches on July 1, 1980, and January 1, 1981.

There was an extrordinary group credit of £285,048 (£52,862) for the year, and after dividends of £122,500 (£96,752) the amount retained was £983,112 against £406,518.

● comment

Brent Walker's results show how profitable the leisure business can be for the selective operator with a knack for hitting the right spots. Profits growth is helped along by a tax credit from the release of deferred tax provisions, while the extraordinary credit on the Hackney factory sale more than absorbed the loss on the Cairo share sale. Borrowings are now around £4.1m and on a downward trend, leaving the company around 50 per cent geared. The cash coming in from Cairo will cover BW's investment in the planned Harley Street hotel, while the ambitious Southend marina scheme is intended to be self-financing. To judge from the fully-taxed p/e of 11.5 at 75p, up 2p, and 3.4 per cent yield, the market has confidence in BW's continuing ability to pick winners, though the share price probably still discounts net asset backing.

H. Denny loss at midway

LOSSES OF £45,726 were incurred by Henry Denny & Sons, bacon curer, meat packer and canner, in the first half year ended March 29, 1980, compared with a £288,706 profit in the same period last year.

The directors say there is no prospect of a dramatic turnaround in the second six months while the cost of pigs continues to be unrelated to realisations achievable on an over-supplied bacon market.

This depresses margins to a level which cannot cover inflationary effects on costs currently being experienced in the UK and the Republic of Ireland.

Turnover in the first half amounted to £16.15m against £14.41m. Last year the group, a subsidiary of E. M. Denny (Holdings), reported pre-tax profits of £598,000 from turnover of £28.47m.

Fraser refutes claim of missed bargain

Sir Hugh Fraser, chairman of House of Fraser, has rejected Lonrho's suggestion in its latest circular that an excellent bargain was missed when Sir Hugh refused to act on Lonrho's proposal for a takeover of an unnamed English company.

In the continuing war of words between the two companies, sparked by Lonrho's attempts to force the Fraser board to increase its final dividend by 50 per cent to 6p, Sir Hugh said: "I get offered deals all the time."

He added that the Lonrho proposal "was not a department store group. It is a good company and very well run, but it is not in our line of business and I think we should stick to the things we know about. If it was such a wonderful deal, why did Lonrho not buy it." He did not plan to isue any more circulars. "There are two points at issue, and we have explained them," he said.

AQUIS IN £9.25M PROPERTY SALE

The Aquis group has exchanged contracts with Repbeach a subsidiary of Matheson and Co. for the disposal of the freehold interest in Atlas House, Cheapside, for a gross consideration of £9.25m, payable in cash.

Atlas House provided rental income of £445,000 during the year to December 31, 1979. The sale is subject to the approval of Aquis shareholders.

REPORTS TO MEETINGS

Automotive to be well down at halfway

FIRST-HALF RESULTS of Automotive Products would be well down on last year, said Mr. J. T. Panks, the executive chairman, at the annual meeting.

He explained that while some level of destocking by group customers was to be expected in the wake of very high interest rates, the weakness in demand, especially in the domestic replacement parts market, had intensified to an unforeseen degree, and the low original equipment demand from UK vehicle makers showed no signs of improving.

So far export orders were holding up and the board shared the general expectation that there would be a reduction in interest rates in early autumn. There were good reasons to expect that the second half would show an improvement.

Appropriate steps had been taken to contain expenditure and operating costs were being reduced and, unless trading conditions deteriorated to an extent not at present envisaged, it was the board's intention to maintain the 1980 ordinary dividend at the previous year's level.

At other annual meetings, the chairmen reported:

Amalgamated Power Engineering—The order book for this year was reasonable but at present prospects for 1981 were not brilliant. However, the company was profitable and the Board would continue to take whatever action considered necessary to maintain this situation.

Aurora Holdings—In the early months of 1980 the group had been severely affected by the steel strike, while the current level of order intake in the steel and engineering industries was low. Prompt action had been taken to reduce labour and overhead costs in line with the present and forecast level of activity.

The group was concentrating on the reduction of gearing and on all reasonable steps to improve profit performance and earnings per share. It was also undertaking a major programme of rationalising the steel division.

Coates Brothers and Co.—Business at home had been affected by the steel strike and by recent problems with the NGA in the printing industry. UK sales, including exports, to the end of April were very similar in volume to last year and in value were up by about 24 per cent. However, margins had been squeezed particularly in export markets and UK profits to date were running behind last year.

Overseas subsidiaries' sales in the last six months of their fiscal year showed a 27 per cent increase in local currency and a 22 per cent gain in sterling terms. There was evidence that profit had improved in most areas although not as much as might be expected from the sales uplift.

Provincial Laundries—Since the beginning of this year, the company's programme of organic and acquisitional expansion had been accelerated with the result that turnover had advanced from £3m in 1979 to an expected £10m for 1980. Therefore, a significant increase in pre-tax profits was anticipated.

BANK RETURN

	Wednesday June 11 1980	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14 553 000	—
Public Deposits	35,158,457	— 1,220,435
Special Deposits	218,710,000	—
Bankers Deposits	491,033,480	— 3,474,419
Reserve & other Accounts	639,100,164	— 10,489,623
	1,398,555,101	— 15,184,477
ASSETS		
Government Securities	903,207,064	+ 3,290,000
Advances & Other Accounts	305,953,111	— 4,580,466
Premises Equipment & Other Secs.	180,648,472	— 26,768
Notes	8,427,420	— 13,930,835
Coin	319,034	+ 63,592
	1,398,555,101	— 15,184,477
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	10,000,000,000	— 25,000,000
In Circulation	9,991,572,580	— 11,069,165
In Banking Department	8,427,420	— 13,930,835
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	8,605,735,582	— 28,404,540
Other Securities	1,383,249,318	+ 3,404,540
	10,000,000,000	— 25,000,000

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	59	Airsprung	64	—	6.7	10.5	3.8†
50	26	Armitage and Rhodes	30	—	3.8	12.7	2.0†
285	185	Bardon Hill	278	—	13.8	5.0	8.2†
100	78	County Cars 10.7% Pf.	78	—	15.3	19.6	—
101	63	Deborah Ord.	92	—	5.0	5.4	10.1
125	88	Frank Horsell	117	—	7.9	6.7	7.3
129	90	Frederick Parker	90	—	12.8	14.2	4.1†
156	102	George Blair	102	—	16.5	16.2	—
75	45	Jackson Group	74xd	+ 2	6.0	8.1	2.8†
153	103	James Burrough	104	—	7.2	6.9	9.1
300	242	Robert Jenkins	300	—	31.3	10.4	9.8†
232	175	Tordey	217xd	—	15.1	7.0	3.7†
34	11½	Twinlock Ord.	14	—	0.8	6.0	2.7†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
56	23	Unilock Holdings	49	—	2.6	5.3	10.4
50	45	Unilock Holdings New	45	—	—	—	9.6
99	42	Walter Alexander	94	+ 1	4.4	4.6	6.2
212	136	W. S. Yeates	212	—	12.1	5.7	3.4†

† Accounts prepared under provisions of SSAP 15.

New Advertising and PR Agency opens in the City

McLaren Iveson & Co has been founded on the belief that many companies in the financial and business services sectors need a consultancy to provide communications services on a co-ordinated basis. We can produce advertising, public relations and all types of printwork. These can be co-ordinated in terms of marketing objectives, design, timing and budget. We are happy to work on a one-off project basis or on a year round appointment.

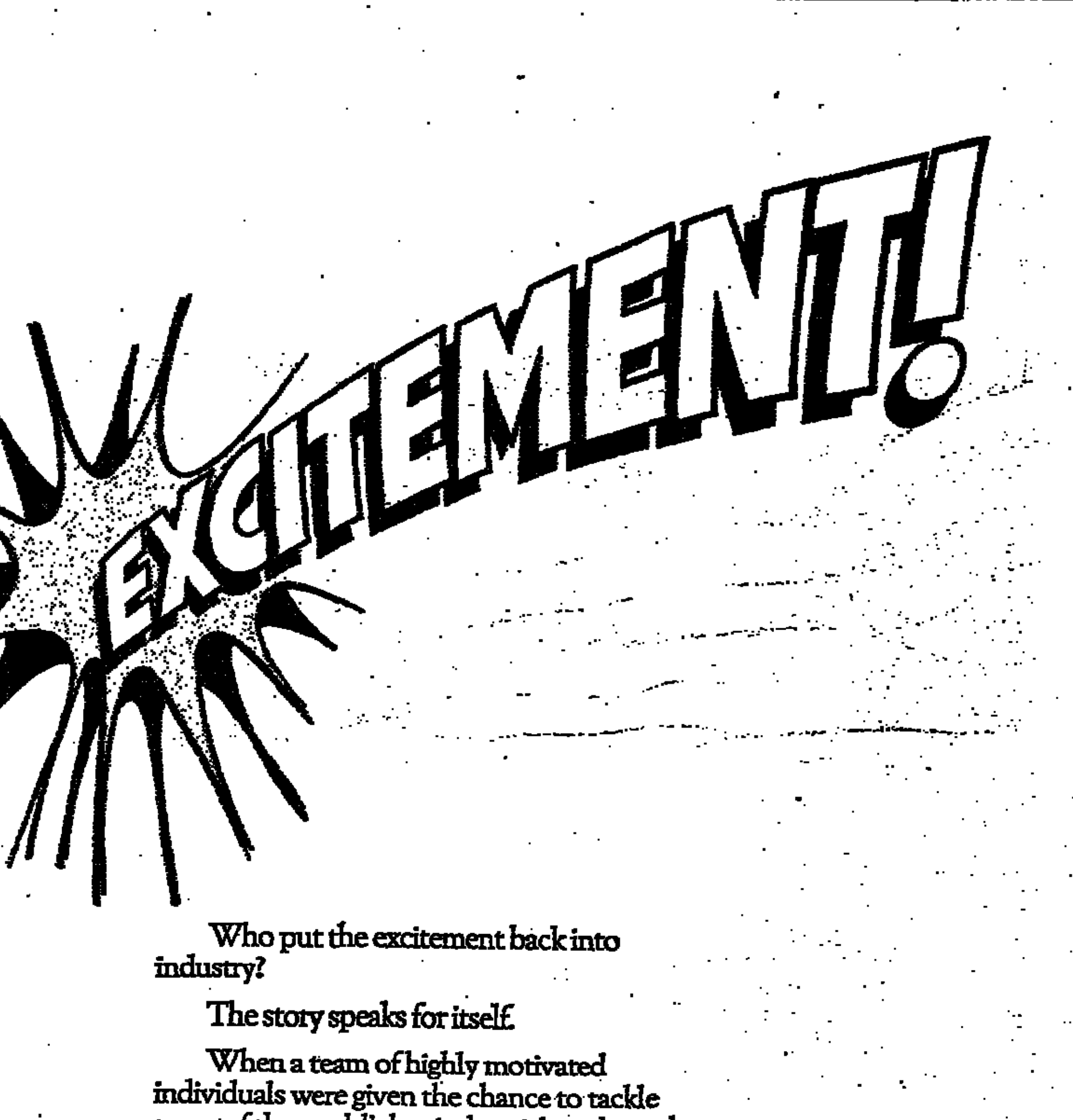
The Agency specialises in the financial/corporate sector and is staffed by people with many years of communications experience in this specialisation.

If you have a communications problem where we might be able to help or you would like a copy of our leaflet explaining our services in more detail, please contact Andrew McLaren or Tony Iveson.

McLaren Iveson & Co.

ADVERTISING · PUBLIC RELATIONS · PRINT

65 London Wall, London EC2M 5TU Telephone: 01-920 0656



Who put the excitement back into industry?

The story speaks for itself.

When a team of highly motivated individuals were given the chance to tackle some of the world's key industrial markets, the effect was dramatic. Through their initiative, talents and innovation, BTR has become one of the most profitable companies in the UK.

For our next exciting instalment, ask for our annual report.

BTR stands for growth

BTR Limited, Silvertown House, Vincent Square, London SW1P 2PL. 01-834 3848.

Northern Foods profit up £2.8m at midway

STRUCK after a £4.4m increase in interest and depreciation, taxable profits of Northern Foods came out ahead from £12.04m to £14.81m for the six months ended March 31, 1980. Turnover surged by £84.4m to £257.4m.

Apart from liquid milk and cakes, all sides of the group's business achieved volume increases. Commenting on second half prospects Mr. Nicholas Horsley, chairman, says that current trading is fairly good; "we are not disappointed."

For the whole of the 1978-79 year profits were a record £25.4m from turnover of £363.7m.

Depreciation for the first half was £5.23m against £3.24m, and interest took £3.39m, compared with £982,000. The directors say the rise in interest charges was due partly to the Bluebird acquisition, costs relating to assets leased to third parties, and to the increase in rates.

Profits included *investment* income, up from £460,000 to £1.15m, and were subject to tax of £4.4m (£3.6m).

Stated earnings per 25p share are 7.68p (6.4p) and the interim dividend is 2p (1.65p) net—last year's final payment was 2.85p.

The group is on the lookout for *a takeover move either in the* UK or the U.S. Mr. Horsley says directors will be looking for further expansion within the fresh food area.

He adds that the liquid milk contribution, which has been progressively reduced over recent years, will amount to less than a third this year — previous highest contribution has been 55 per cent of profits.

Since September 30, 1979, when the group had a total of some £13m in gilts, directors have sold £8m worth, and they intend to dispose of the balance.

Lex, Back Page

Utd. Spring over £1m in first half

A DOWNTURN in the spring division was more than offset by an *increased* contribution from the steel side at United Spring and Steel Group, *leaving the taxable* surplus for the six months ended March 31, 1980, ahead from £815,000 to £1.03m.

Mr. David Westwood, chairman, says, *however*, that taking into account the fewer working *days in the second half*, and the unfavourable economic climate, he does not expect to match first-half results.

Profit for the whole of 1978-79 was a record £1.48m.

External sales totalled £15.12m against £13.82m and from earnings per 10p share of 4.08p *(3.3p) an interim dividend of* 0.94p (0.605p) net is being paid —increased to reduce disparity. Last year's final payment was 1.345p.

Mr. Westwood explains that although the steel dispute created *supply problems* for some stockholders, "our own *position was less seriously* affected." Market share was increased, enabling this side of the business to achieve a better-than-expected profit.

The reduction in order intake by some of the group's spring companies has not improved and adversely affected the six months' results. The chairman sees no indications at present that the situation will improve.

After tax of £476,000 compared with £367,000 net profit came through at £553,000 (£448,000) of which dividends will absorb £127,000 (£82,000). The amount retained was £426,000 against £366,000.

Mansfield Brewery up £1m

PRE-TAX PROFITS of the *Mansfield Brewery Group rose* by £1m to £4.23m in the year to March 28. Turnover rose from *£21.85m* to *£25.26m*.

At halfway the company reported profits of £2.27m (£1.78m) on turnover of £12.36m *(£11.02m)*.

Taxation took £1.74m (£1.2m) leaving an attributable balance of £2.49m (£2.02m).

A final dividend of 2.275p makes a total of 3.25p (2.833p adjusted for scrip). Stated earnings per £1 share are 16p (13p equivalent).

B & C Shipping better than expected at £28.6m

On turnover up from £256m to *£292m pre-tax profits of British* and Commonwealth Shipping finished 1979 ahead at £28.64m, compared with £26.59m which was struck after an associate's share of exceptional currency loan losses of £2.29m.

At the interim stage, with the surplus little changed at £13.63m *(£13.27m)*, directors said that second half profits would approximate those of the first. *In the* event the pre-tax figure was £15.02m (£13.32m).

The directors now say it is too early to give any firm prediction of results for the current year, but it is hoped they will not be *too far different from those for* 1979.

Earnings per 50p share are shown as 43.7p (34.6p) and the dividend is stepped up to 12.5p (10.5878p) net with a final, as forecast, of 7p.

After depreciation of £16.95m (£17.55m) operating profit came *to £15.9m* (£16.27m) which was split as to: shipping £1.67m (£255,000 loss); air transport £6.79m (£10.59m); aviation support services £2.8m (£4.2m); leisure £104,000 loss £173,000); marine and aviation insurance *£1.5m loss (£716,000)*; office equipment £2.96m (£2.59m); other activities £3.3m (£1.78m); and additional depreciation of £1.75m, last time, to write down the value of the floating supply base ship to estimated realisable value.

After tax of £11.03m *(£12.15m)*, *minorities* £3.47m (£3.25m), and an extraordinary credit of £2.72m (£1.19m), the available balance emerged at £16.86m against £12.39m.

After dividends of £4.05m compared with £3.45m the retained amount *was £12.81m (£8.94m)*.

Pre-tax profits of Caledonia *Investments* improved from £3.63m to £4.52m for the year ended March 31, 1980, and the dividend is increased to 12.5p net per 25p share, against 9.6508p, with a final, as forecast, of 7p.

Profits at halfway were £2.23m *(£1.75m)*.

Turnover for the year amounted to £9.56m (£6.87m) and after tax of £1.48m (£1.32m) and minorities £76,000 (£65,000), the attributable balance came through at £2.96m, compared with £2.24m—a 20 per cent increase to some £2.69m was forecast last November.

Earnings per share are shown up from 12.43p to 16.54p. *Dividends* will absorb £2.25m *(£1.76m)*, *leaving £711,000* (£476,000) retained.

A *second half increase from* £205,213 to £234,368 at Amber Industrial Holdings—controlled by Caledonia Investments—has left taxable profits just ahead at *£394,368 for the year* ended March 31, 1980, compared with £391,213.

Turnover of this steel gratings, *refractory fittings and industrial* aerosols manufacturer expanded to £4.97m (£3.36m).

Earnings per 10p share are shown as 7.41p against 6.99p and the dividend is 2.5p, compared with 2.1354p which included a 1.5p *special payment*.

Profits were struck after depreciation £157,700 (£106,402) and interest paid £70,888 (£9,554 received), and were subject to tax of £197,611 (£205,409).

Dwek Grp. finishes with £0.28m

PRE-TAX profits of the Dwek Group, importer and wholesaler of PVC, rose from £246,199 to £280,304, in 1979 on turnover up from £6.54m to £8.69m. The 1978 profits were boosted to £628,056 after inclusion of extraordinary items.

At halfway the company reported profits of £146,000 *(£112,000) on turnover of £4.11m* (£3.1m).

Tax took £11,248 (£17,500), and the dividend is lifted from 0.2211p to 0.2432p. Earnings per 10p share are given as 3.59p (3.05p).

Lex, back Page

Finlay falls further behind

SECOND HALF pre-tax profits of James Finlay and Co., international trader and financier, dropped from £7.12m to £6.54m and thus continued the downward trend *seen in the first six* months when the figures were down from £5.03m to £4.49m.

The figures for 1979 as a whole declined from £12.14m to £11.03m and this was arrived at after interest paid of £2.98m and *realised exchange losses due to* the strengthening of sterling of £988,000, and after crediting net gains on sales of investments of £2.52m.

After tax considerably lower at £4.88m (£7.1m), of which overseas companies' share was £3.34m (£5.25m), stated earnings per 25p stock unit excluding extraordinary items are 15.2p *(14.4p) on a net* basis and 17.5p (15.5p) on a nil basis.

There was an extraordinary charge of £477,000 relating entirely to unrealised exchange losses on conversion to sterling of the net assets of overseas subsidiaries and associates.

The total dividend is effectively raised from 5.0326p to 5.75p with a second interim of 3p *(2.5p)*.

Group turnover during the year *improved from £85.14m to* £93.34m.

UKO improves in second half

AFTER the downturn in the first six months from £1.77m to £1.42m, UKO International reports pre-tax profits for the year ended March 31, 1980, of £3.67m, a rise of 9.2 per cent on the previous year's £3.36m. Sales were up 12 per cent to £51.05m.

The group is a leading maker of ophthalmic lenses and spectacle frames but the main reason for the profit improvement was the recovery of the catering equipment side *from* the setback experienced last year.

The ophthalmic division's profits show a reduction of 4.2 per cent having declined through the impact of high interest rates, the engineering strike, the strong pound and through some penetration *of* the home market by imports.

Home market demand improved in the second half but has subsequently fallen, the directors say.

Stated earnings per share are 20.82p (18.02p) before extraordinary items and 19.67p *(16.48p) after these items.* The final dividend is an unchanged 6.48p maintaining the total at 9.68p.

	Year 1979-80 £000	Year 1978-79 £000
Group sales	51,051	45,580
Ophthalmic: Home	28,573	25,577
Overseas	9,887	9,575
Catering	12,591	10,428
Profit before tax	3,670	3,361
Ophthalmic	2,783	2,904
Catering	887	457
Tax	736	821
Net profit	2,934	2,540
Minorities	7	7
Extraordinary debits	163	217
Available	2,764	2,316
Dividends	1,360	1,360
Retained	1,404	956

● comment

After a drop of one fifth at the half-way stage, the news of a *full year advance of 9.2 per cent* at UKO is welcome. The company had a number of problems last year; it lost more than £100,000 on the engineering strike, suffered because *of the strength* of sterling and faced an interest *charge increase of almost* £1m. The group's ophthalmic side did slip a bit on the year, but the catering equipment business staged an impressive second half recovery. Although the catering side is still under the gun of *public spending cuts*, a *programme* of rationalisation seems *to have paid off*. Meantime gearing remains high at 62 per cent. The Board has maintained the total net dividend, and the yield remains a healthy 12 per cent at 123p, up 9p. The earnings multiple, however, of 9.3 on a full tax charge seems a trifle pricey.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. *Such meetings are usually* held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions *shown below are based mainly on last* year's timetable.

TODAY

Interims—*Grootvlei Proprietary Mines*, Arthur Guinness, Merievale Consolidated Mines, Sidlaw Industries.

Finals—Alpine Soft Drinks, Anderson's Rubber, Highgate and Job, *Pilkington Brothers*, *Jonas Woodhead*.

FUTURE DATES

Interims—

Anglia Television	June 18
Nash (J. F.)	June 20

Finals—

Bell and Sime	June 18
British Tar Products	June 20
Continental and Industrial Tst.	June 19
Dorrington Investment	June 20
Halma	June 24
Hickling Pentecost	June 25
L.C.P.	June 24
Norwest Holst	June 16
Schlesinger American Investe.	June 25
Sound Diffusion	June 17
Spong	June 27
W.G.I.	June 16
Wedgwood	June 20

Saatchi & Saatchi rises 24% and expects further growth

MAINTAINING its record of uninterrupted growth, Saatchi and Saatchi, the advertising agency, pushed pre-tax profits *up* by 24 per cent to £1.4m in the half year *to March 31, 1980, compared* with £1.13m last time.

The outlook for the second half remain satisfactory, says Mr. Kenneth Gill, the chairman, and he anticipates continued improvement. Prospects have been enhanced by recent major assignments from Berger Paints, Berk Pharmaceuticals, Campbell's Soups, the British Sugar *Corporation and Austin Morris*, he adds.

The interim dividend is stepped up from 2.11p to 2.64p net—a total of 4.79p was paid last year from taxable profits of £2.45m.

Turnover in the first half went ahead from £34.22m to £40.4m. After tax of £589,000 (£475,000), minorities £118,000 (£95,000) and the £149,000 (£119,000) absorbed by *dividends, the retained balance* is £322,000 (£261,000).

Earnings per 10p share are shown up from 6.74p to 8.35p and the operating margin has improved from 3.3 to 3.5 per cent.

The chairman points out that the new inflation accounting standard, SSAP 16, will have a minimal effect on Saatchi's pre-tax results, in contrast to the *anticipated fall of around one-third* for industry as a whole.

● comment

Saatchi and Saatchi keeps on rolling in new accounts. At the *interim stage profits growth* seems to have come from new accounts such as BP, *Ariel, Dunlop* and McVities. These were *signed in the latter part of last* year and produced most of the 24 per cent pre-tax rise. Meanwhile, an additional £6m of new accounts—including British Sugar, Campbell's Soups and Berger Paints—will help the agency to produce around £2.9m for the full year, suggesting a *fully taxed p/e of just over 10*. By year end the agency should *follow* its interim dividend rise of a quarter with another increase, possibly making a gross total of 8.25p. This would yield a prospective 4.6 per cent at 183p, up 11p. The yield is not exciting, but the CCA cover *appears to be almost identical* to the historic one.

and the final dividend is raised from 0.225p to 0.3p for a total of *0.6p (0.445p)*.

Crosby at £0.67m: plans scrip

FOLLOWING the midway decline *from £413,433 to £283,366. Crosby* Spring Interior finished the year to March 31, 1980 with pre-tax profits down at £673,155, compared with £1,012,368.

With the motor industry facing short time and mechanical engineering output expected to fall by as much as 15 per cent, the current year is bound to be difficult, say the directors, and *profits* are unlikely to match those now reported.

Nevertheless, they intend to raise the dividend from 0.78958p to 0.87p with a final of 0.63p, at the same time proposing a one-for-one scrip issue.

It is also intended to change the name of the group to Crosby *Woodfield*.

After a tax credit this time of £108,609 (£261,444 charge) and an extraordinary credit of £563,779 (£26,875), being the excess of insured value over cost of buildings and plant destroyed by fire, the net surplus emerges well ahead at £1.35m, compared with *£777,799*.

Turnover improved slightly from £10.05m to 10.62m.

'The Times' Veneer

An increase of £76,875 to £274,130 in pre-tax profits is reported by "The Times" Veneer Company, manufacturer and merchant of timber, veneers and processed wood products, for 1979. Turnover, excluding VAT, advanced from £5.29m to £5.61m.

At halfway, pre-tax profits were £180,729 against £108,882.

After tax considerably higher at £88,086 (£36,221), stated earnings per 5p share of this "close" company are 2.64p against 2.29p.

Valor advances but warns of weak demand in current year

TAXABLE profits of The Valor Company, heating and cooking appliance manufacturer, improved from £2.14m to £2.52m in the year to March 31, 1980 *on sales ahead from £42.11m to* £50.3m.

Demand *is* expected to be weak in the current year, warn *the directors*, and the group cannot escape the general trend which is affecting most companies. Nevertheless, they are hopeful of maintaining the group's position.

The dividend is effectively raised from 2.07583p to 2.663p net with a final of 1.891p.

Earnings, after tax of £294,479 (£287,076) are shown ahead from 14.48p to 17.55p per 25p share.

The attributable surplus is £2.23m compared with £1.72m last year after an extraordinary debit of £127,837.

Mr. Michael Montague, the chairman, *estimates the various* problems faced during the year *reduced* profits by at least £200,000.

The gas cooker and heater factories are now on a four-day week, but hope to return to a five-day week after the summer. The British Gas decision to stop promoting gas *in September* had cut sales by 50 per cent in a few weeks.

The decision had now been *reversed but the chairman felt* it would not be until next year that "they get back to the former concentration of interest people had in gas."

Valor has installed computerised street lighting in parts of Munich and Dusseldorf and had recently secured a gas *lighting contract for signalling* on the Polish railway system *worth around £40,000*.

● comment

Two-thirds of *Valor's sales are* gas appliances. Four-fifths of gas *appliances are sold in British* Gas showrooms so it is not surprising that the decision by British Gas to slow its promotion campaign through the winter months doused Valor's hopes of a record profit. In the event, *strength overseas helped* the company to a respectable *result*—*though the 50 per cent* jump in the overseas tax charge somewhat overstates the actual profits growth. Exports were predictably down, while Morwood Vulcan's industrial catering equipment failed to produce the anticipated profits growth. For the current year, British Gas has turned the promotion tap back on, but the market is *unlikely to regain former* levels for at least a year. Three-fifths of the Valor workforce is on a four-day week, though it is hoped to restore full-time working by late summer. Given last year's difficulties the fully-taxed p/e of 5.9 and a 7.3 per cent yield at 54p are assuming no more than *maintained profits*.

CARLIOL AND TYNESIDE

Extraordinary meetings of Carliol Investment Trust and Tyneside Investment Trust have passed resolutions necessary to approve and implement the proposed schemes of unitisation in association with Target Trust Managers, and the schemes have become unconditional in all *respects*.

Carliol and Tyneside are now *in members' voluntary liquidation*.

TRUSTHOUSE FORTE

Trusthouse Forte has now completed the acquisition of Bowater Hotels.

Thos. French progress

PRE-TAX PROFITS of Thomas French and Sons, manufacturers of curtain styling products and specialised heating equipment, advanced in the first half to March 29 by 19 per cent, from *£774,944 to £926,184*.

Turnover rose by 21 per cent *to £8.91m, compared with* £7.34m.

Taxation took £443,156 (£384,028) and after minority interests of £17,199 (£4,601), attributable profit was £465,829 (£376,815).

The interim dividend is increased from 1.4p to 2p, and the company hopes that the total for the year will be no less than last year's 4.5p.

Mr. T. J. French, chairman, says the weakening of demand caused by high interest rates, severe de-stocking by the wholesale and retail trade *and by low* consumer spending has continued, *so even matching the full* 1979 year result of £1.63m pre-tax represents a stiff task.

But since competitors are suffering from the same conditions, the chairman sees it as some consolation that the company's borrowings are low and its overseas businesses and growing *export business provide a* good cushion. Next year will also see the benefits of the manufacturing rationalisation programme whose costs are still being incurred.

BARCLAYS International

Barclays Overseas Investment Co. B.V.

Guaranteed Floating Rate Notes 1990
For the six months to 15th December 1980 the Notes will carry an interest rate of 9.625% per annum.

Coupon 2 will be for U.S.$49.46

Agent Bank and Principal Paying Agent
BARCLAYS BANK LIMITED
Securities Services Department
54 Lombard Street
London EC3P 3AH

121 companies wound up

Compulsory winding up orders against 121 companies have been made by Mr. Justice Vinelott in the High Court.

They were:—*Brighton and Hove* Shopfitting Company, Alexander Fraser (Leisure), Stage Door International Management, Kestral Warehousing, Miller and Pope (Investments), N. G. Nurse, Opera Magna, James Bros. (Wellingborough) and *Fesovil* Investment Developments.

Bernell Finance, Bedford Transport, Valmax Promotions, Development, Manufacture and Trade Company, DVI Nationwide Lotteries, Chelvy Holdings, Philmore Construction Company and Torside Investments.

Dowelworth, Potter and Potter (Construction), Modern *Decorations* (Horsforth), Sportsday, W. E. Fry, J. Ram Patel and Sons, Scott Gold, Diamond Investments (International) and Berryperch.

Warby and Hoye, J. and T. Devine, P. C. S. Motors, F. A. *Williams* (Plumbing), Ranger Travel, Ambula Skincraft, The London Musical Theatre Company, Brookwest and Greeney's (North West).

British Tanners Products, Watermen Caterers (*Westminster*), *Replacement* Equipment and International Motor Accessories, Mack McKinney, O. P. G. Painting and Decorating Contractors and Caravex Company.

S. and M. Industrial Cleaning Company, Customfit (*Manchester*), Lockgrade, Yieldwell, *Acorncrown*, Caraplas (UK), Sunrise Shipping Company, A.M.H. Metal Fabrications and Chellow Dene Holdingse.

Twyment, Albion Property (Wallasey), The Windsor Place Finance Company, Swanway *Properties*. *Basic Employment* Services, George Scott and Son (Newcastle), Great Moor Cleaning Company, Gurney's Removals and D. R. Hunt (Demolitions).

W. Teakle and Co., Purlingrade, Engineering Alliance (Bredon), D.B.E. *Evans* (*Midlands*), Sidearn and Castle *Electronics*.

Blackfawn Dales, Buckscene, Johnston (Crane Equipment Sales), Rosbarn, Plastic Armour-Flex Coatings, Michael Clancy Associates, Glyhurst Heating, Davan Cleaners and The Aberdeen Angus Restaurants.

Harland Homeware, *Diamondado*, Pan Arab Publications, Whitwick Working Men's Club and Institute, Balabanka, Bacovne, H. G. Watson and Co., Bartlett, Christie and Co. (Guildford) and Rig Hire.

Braybon, *Gilmartin* Air Cargo, *Tressmoss, Laxgate*, F. R. Dunkley Builders, and The Haze Clothing Company.

Foxy Music, Sandra Mary, Kenning International Management, Abdin Warner Company, Gamma Associates, Wardale Impex, Storedyke, Smith-Stevenson (Yarns), and Monkhurst.

The Fruit Relay Service, L. Fox and Co. Real Estate, Lobuts Decorations, Culmine Building, Fisglade, T.E.K. Builders and Decorators, Alan Troman and Co., and Prinoak (Properties).

Josabel, D. and W. Reynolds, *Cedra Mantles, Brookfern, and* McFarlane Builders.

Taulorda, Southern Firmfix, Club Continental Holdiys, Nouveau Gift Shop (Bradford), Brimanda, Panther Westwinds, Meehan Construction, Headingley Art Glass Company, and Squash Link Publications.

Redland seeks to increase capital by £60m

Shareholders of Redland, the building materials group, are being asked to approve an increase *in borrowing powers*.

At present, the limit is around £85m — *based on the* 1978-79 accounts — and this *would rise to* around £145m if the company's proposals are approved.

Redland's borrowings of some £64m are well within the current limit, but the group regards the form of the present limit as too restrictive.

Instead of a ceiling of 1¼ times the amount paid up on the issued share capital and standing to *the* credit of the share premium account, it wants *the limit to be 1½* times the aggregate of the issued and paid-up share capital and the amounts standing to the credit of the consolidated reserves.

In return for agreement to the increased limit, Redland proposes that the preference dividend be raised from 4.55 *to 5 per cent and the coupons* on the debenture stocks be increased by 0.25 per cent.

KITCHEN QUEEN

Kitchen Queen Group has completed the sale of the retail subsidiaries to private interests of Mr. S. E. Boler.

SPAIN

June 12	Price %	+ or −
Banco Bilbao	221	+3
Banco Central	253	+6
Banco Exterior	215	+1
Banco Hispano	226	+6
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	275	+9
Banco Urquijo	150	
Banco Vizcaya	232	+3
Banco Zaragoza	200	
Dragados	83	+2
Espanola Zinc	61	
Fecsa	63.5	+0.3
Gal. Preciados	30	+0.5
Hidrola	67.5	+0.8
Iberduero	67	+0.8
Petroleos	107	
Petroliber	64	
Sogefisa	107	
Telefonica	57	−0.2
Union Elect.	64.2	+0.5

United Spring & Steel Group Limited

Interim Results

Unaudited results for the Group for half year to 31st March 1980.

		Half year to 31st March 1980 £'000	Half year to 31st March 1979 £'000	Year to 30th September 1979 £'000
External Sales	Spring Div.	4,992	4,552	8,811
	Steel Div.	10,127	9,272	17,441
		15,119	13,824	26,252
Operating Profit	Spring Div.	325	484	806
	Steel Div.	704	331	671
		1,029	815	1,477
Taxation		476	367	577
Profit after Taxation		553	448	900
Dividends		127	82	264
Profit Retained		426	366	636

- The Directors have *declared* an interim dividend of .94p per share (.605p)
- Half year profits have increased by 26%.
- The *Steel Division's* profits were better than expected.
- It is not expected that the second half of the year will match the good results of the first half.

United Spring & Steel Group Limited.
Hawthorn Works, Smethwick, Warley,
West Midlands. Tel: 021-558 2791

USSG

Encouraging trend for Hintons in second half-year.

Extracts from the Chairman, David Hinton's Review

As expected, the second half-year showed a more encouraging trend in the Supermarket Division, where the implementation of the Company Plan is producing significant benefits. Improved productivity has reduced the impact of higher wages, salaries and Employer National Insurance contributions. Contrary to expectations, the steel strike during the last quarter had little impact on our sales, and stock availability was maintained through careful forward planning.

On the whole however, the year's results are disappointing with other trading areas performing less well than anticipated. Costs have increased sharply, particularly Rates, Gas, Electricity and Diesel fuel. The depreciation charge has increased *from £540,000 to £771,000. This arises from the* big investment made in conversion and upgrading in the stores, computer development and the high cost of equipment replacement throughout the Group.

Nevertheless, we are encouraged by current sales performance. Our investment in time and money over the past two years is paying off in terms of improved productivity. *This has meant doing things better (which may* mean differently) and measuring the effectiveness of such changes. We have been greatly encouraged by the response of our workforce to the need to step up productivity in both Store operations and in Distribution (warehousing and transport).

The *Group faces* a *year in which cost-inflation will be* greater than that on the products we sell. Nobody can be sure what the decade holds for us all, but it is certain to be a period of further substantial change in retail techniques. We shall not be left behind.

Highlights

* Sales
  Up 17.4% to £77 million. Volume growth 6.0%.
* Pre-tax Profits
  £0.88 million. First half-year down — second half shows improvement.
* Earnings per share
  14.45p. Down by 24% for year as a whole.
* Dividends per share
  Up 21.3% to 4.0p per share. Covered 3.6 times.
* Net Assets per share
  Up from 117p to 128p per share.
* Developments
  2 new Supermarkets, 3 extensions.
* Capital Investment
  £2.3 million invested last year, £1.9 million planned for current year.

Hintons

Food and drink retailers in the North-East of England

To receive your copy of the 1980 Report simply return this coupon *to:* The Secretary, Amos Hinton and Sons Limited, PO Box 24, Master Road, Thornaby, Stockton-on-Tees, Cleveland, TS17 0BD

Name...

Address...

AH 1980	1		02101	80/1
ITEM	QUANTITY	FROM	ITEM CODE	ORDER No.
AMOS HINTON ANNUAL REPORT 1980				
	UNIT COST	DATE	WK	
	£0.00	13 JUN	15	

Row at Mersey Docks over surplus land sale

THE MERSEY Docks and Harbour Company is facing a growing revolt among its stockholders, many of whom are dissatisfied with the ailing company's performance, particularly with its failure to sell off its surplus dockland.

At yesterday's annual general meeting in Liverpool Mr. Simon Knott, a London stockbroker, tried to unseat Mr. D. I. Heys, chairman of the stockholders' three-man advisory committee.

Under the terms of the 1974 capital reconstruction the company's debenture stock was written down by 60 per cent, and as partial compensation stockholders received £20m of redeemable subordinated unsecured loan stock.

It was intended to redeem the loan stock from the proceeds of any sales of surplus docklands. So far stockholders have received only 8p in the pound of loan stock and only 2.5p has been as a direct result of property sales.

Because of the depressed state of the property market the company has held on to the surplus land and intends to lease it for development.

Many stockholders feel this is not in the spirit of the 1974 agreement since they will receive no direct benefit from any leasehold or rental income.

Mr. Knott and several other dissident shareholders feel the stockholders advisory committee has not tried hard enough to persuade the Mersey Docks Company to sell off its surplus land.

Mr. Knott forced a vote on the re-election of Mr. Heys yesterday. The result is not yet known, but Mr. Heys had many proxy votes on his side and should win. Nevertheless, the attempt to unseat the chairman of the advisory committee symbolises the growing restiveness of stockholders.

The problem of the sale of the surplus docklands has been further complicated by the establishment of the Merseyside Urban Development Corporation. The stockholders committee feel it should be represented on the corporation but it seems unlikely its request will be granted.

CENTURY OILS

Century Oils has completed acquisition of the Hein de Windt group for Fl 6.5m, satisfied by the issue of 904,436 ordinary which have been placed on behalf of vendors.

Book value of net tangible assets of De Windt at end 1979 was Fl 1.3m and for 1979 pre-tax profit came to Fl 2.1m on sales of Fl 33.8m.

Electra over £5.7m at year-end

Pre-tax group earnings of Electra Investment Trust, an Electra House company, improved from £4.84m to £5.72m in the year to March 31, 1980. Gross revenue for the year was up from £5.49m to £6.64m.

After tax of £1.89m against £1.78m, stated earnings per 25p ordinary stock unit are 7.831p (6.244p), and the final dividend is raised from 3.8p to 4p, making the total 7p (5.8p) which includes a special non-recurring payment of 0.5p. Dividends absorb £3.82m (£2.84m).

Net asset value per ordinary stock unit at March 31, 1980 was 155.25p (163.75p).

Wilkins & Mitchell Limited

Manufacturers of Wilkins & Mitchell power presses and Servis washing machines

Extracts from the Annual Report for the 52 weeks ended 29 December, 1979

Results in brief	52 weeks ended 29 Dec. 1979 £'000	39 weeks ended 30 Dec. 1978 £'000
Group Turnover	47,722	42,463
Group profit after taxation and extraordinary items	331	108
Retained profit	189	2
Dividends	142	106
Earnings per Ordinary Share	4.3p	9.4p
Dividends per Ordinary Share	2.21p	1.66p
Net Assets per Ordinary Share	103.52p	100.58p

Servis Domestic Appliances Division
During the year under review we have invested £1,379,000 in extending and modernising the Servis Domestic Appliances Ltd. factories and service depots, and the additional costs committed to complete this phase of development are estimated at £467,000.

Wilkins & Mitchell Press Division
The main plant at Darlaston has had a satisfactory work load during the period, although margins have been difficult. The anticipated results were spoilt by the National Engineering dispute.

Prospects
It is your board's policy continually to improve the company's products and competitiveness in order to expand. With this in mind, the group has negotiated with its bankers a term loan of £2,000,000. The investment in Servis Domestic Appliances reflects the confidence your directors have in the future of the company.
The demand for Servis domestic appliances remains buoyant and a satisfactory profit performance has been achieved in the first few months of the current year.
The Power Press Division maintains a reasonable order book and there are some good prospects.

We are hopeful that provided the company has a continuity of production throughout the year we should achieve the recovery for which we have worked.
Final Dividend of 1.46p per share will be payable on 23 June.

The Annual General Meeting was held at Wolverhampton on Thursday 12 June.

Copies of the Report and Accounts may be obtained on request from The Secretary, Wilkins & Mitchell Limited, Richards Street, Darlaston, Wednesbury, West Midlands WS10 8AN.

FARNELL

Record year for Farnell Electronics

ELECTRONICS GROUP

Results for the year ended 31st January

	1980 £000's	1979 £000's
Sales	25,255	22,249
Profit before tax	5,118	4,050
Net profit	2,889	1,929
Earnings per share	18.63p	12.44p
Dividend per share	4.00p	2.95p
Times covered	4.66	4.22
Asset value per share	74.67p	62.43p

"Funding of Group Trading requirements is expected to be covered adequately from company resources and profits generated. Management is fully confident that progress can be maintained in the coming year."

R. KIDD, B.Sc., Chairman

Group Trading Companies

Farnell Electronic Components Ltd. a specialist company in the distribution of electronic components to Manufacturers, Research and Educational establishments and Government Departments.

Farnell Instruments Ltd. one of the leading United Kingdom manufacturers of stabilised power supplies and well established in electronic measuring and test equipment market.

A. C. Farnell Ltd.

Farnell Audio Visual Ltd.

B.B.H. Coil & Transformer Manufacturing Co. Ltd.

Farnell International Instruments Ltd.

Copies of the Report and Accounts are available from The Secretary, Farnell Electronics Limited, Farnell House, 81 Kirkstall Road, Leeds LS3 1HR.

BBC BROWN BOVERI

BBC Brown Boveri Finance (Curaçao) N.V.

Notice to Holders of the 4¼ US$ Convertible Bonds 1978/93 of BBC Brown Boveri Finance (Curaçao) N.V.

At the Annual General Meeting held on June 10, 1980 the shareholders of BBC Brown, Boveri & Company, Limited have approved to increase the company's share and participation certificate capital.

With effect as of June 16, 1980, the rate of conversion will therefore be adjusted to

5.24 Bearer Participation Certificates
for each Bond of US$ 1'050.– principal amount.

If two or more Bonds are delivered together for conversion on behalf of one holder they will be aggregated in order to determine the number of Bearer Participation Certificates to be issued in respect thereof.

If the conversion of any Bond or Bonds results in a fraction, there shall be paid to the holder in cash such amount in US$ as results from the sale of the fractional entitlement on the Zurich Stock Exchange.

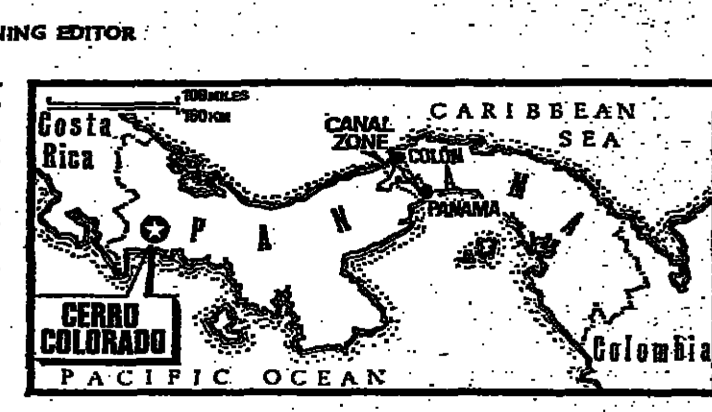
Willemstad (Curaçao), June 13, 1980

BBC Brown Boveri Finance (Curaçao) N.V.

MINING NEWS

RTZ faces the challenge of Cerro Colorado

BY KENNETH MARSTON, MINING EDITOR



LONDON'S Rio Tinto-Zinc international natural resource group is preparing to tackle what could be the biggest technical mining challenge that it has met so far—the huge but low grade Cerro Colorado copper deposit which sits some 800 metres to 1,500 metres above sea level on the backbone of western Panama, about 400 kilometres west of the city of Panama.

Following the recent disclosure by Sir Mark Turner, chairman of RTZ, that the group had reached agreement with Panama's Codemin state mining agency on the development of Cerro Colorado, it is now announced that RTZ has acquired a 49 per cent interest in Empresa de Cobre Cerro Colorado, the operating company for the big project. The remaining 51 per cent is held by Codemin.

RTZ's stake consists of a 29 per cent interest formerly held by Codemin and the 20 per cent stake which America's Texasgulf held; in return for the latter's rights RTZ is paying U.S. $5.5m (£2.3m). But Texasgulf has an option to acquire from RTZ an interest of approximately 15 per cent in the project if the agreement to go ahead is entered into.

Before that stage is reached RTZ will carry out a $10m to $13m work programme over the next eight months to review the feasibility of the project and provide information on which decisions regarding its future should be based.

After this programme is completed it is intended that Codemin and RTZ will conclude an agreement covering the subsequent phases to the construction of the mine.

If RTZ decides to go ahead and Texasgulf decides not to exercise its option the latter will receive some $2m from RTZ to cover services rendered in connection with the eight months' work programme.

RTZ is thus paying some $18m for the chance of finding out whether the project will be worthwhile. But this is small beer compared with what will be required to take the venture to production. It could be anything up to $2bn or so.

So if RTZ decides to go ahead and Texasgulf hangs back, other partners may be sought. Alternatively, the venture might be launched on a relatively modest scale working the better grade ore, but it seems doubtful whether this would be feasible.

Back in 1971 Canadian Javelin drilled Cerro Colorado and subsequent studies indicated potential ore reserves of 1.3bn tonnes with an average grade of 0.78 per cent copper together with some molybdenum and silver in an area with an annual rainfall of some 200 inches.

But the combination of this low ore grade, uncertain copper prices, high capital costs and technical mining problems resulted in the intriguing deposit being left undeveloped.

Indeed, only last month Mr. Charles Barber, chairman of America's Asarco expressed surprise at RTZ's interest in the project. He reckoned that under present conditions it was not possible prudently to assume a copper price high enough to justify a major development of deposits of this type.

Sir Mark Turner, however, has declared that "Cerro Colorado must rank as one of the great potential mines of the future." He is no doubt anticipating far higher copper prices in the latter part of this decade—the venture is unlikely to reach peak production before then.

Cerro Colorado may also have the important advantage of relatively cheap hydro-electric power. But it remains a challenge, just as were RTZ's successful low grade Palabora copper mine in South Africa and the Bougainville copper-gold deposit in the rain-soaked hills of Papua New Guinea.

Zambian Cobalt EEC loan

THE EEC is to loan Nchanga Consolidated Copper, the Zambian copper-cobalt producer, between $8.4m and $9.8m (£3.6m-£4.2m) by next September to help increase the quantity and quality of cobalt production.

This was disclosed yesterday by a member of an EEC delegation, which has arrived in Lusaka. The delegation will also have talks with Nchanga and Roan Consolidated, the other major Zambian producer, about capital investment over the next three years.

Looking further ahead, in another development, President Kenneth Kaunda told the mining companies they should expand into farming so that there would be no ghost towns once the copper is exhausted.

He wants experts commissioned to examine ways of using the water pumped from the mines for irrigation and commercial fish ponds. This instruction denotes the revival of an idea tentatively put into practice and then dropped during the days when Sir Ronald Prain was the chairman of Roan Selection Trust.

President Kuanda has meanwhile left on a previously unannounced trip to meet President Samora Machel of Mozambique in Maputo. It is believed they will discuss the use of Beira as an export port for Zambian copper.

OIL AND GAS NEWS

Strata's gas find disappoints

Disappointment for shareholders in Australia's Strata Oil comes with news there have been no further significant hydrocarbon indications in Strata's Woodada No. 1 well in the Perth Basin, 13 km north west of Eneabba.

On May 28 Strata announced that two tests on the well produced encouraging gas flows. Strata's shares shot up from 10p to 32p immediately following the initial statement and are currently standing at 33p.

Strata has a 26.95 per cent interest in the well and Hughes and Hughes of Texas 65 per cent.

Meanwhile, Strata, along with Reef Oil, Basin Oil and Brunswick Oil, have reached agreement with Delhi Petroleum, Santos, Bridge Oil and Vamgas to farm into the 33,000 square km Wilparoo Block in ATP 259-P, in the Eromanga Basin of Queensland.

The terms of the agreement, which is subject to Queensland Department of Mines approval, provide for the farm-in companies to contribute 45 per cent of the cost of a 700 km seismic programme to be completed by December this year and to have the option to contribute 45 per cent of the cost of a well to be completed by December 1981.

Brunswick, Reef, Basin and Strata will each earn a 4.5 per cent interest in the block on completion of drilling the first well.

* * *

Australia's Woodside Petroleum is currently studying results of a number of urther tests on the Buffon No. 1 well drilled in the Browse Basin of the North West Shelf. Initial tests run on volcanic sediments taken from the well, and which contained moderately high indications of gas, proved difficult to interpret.

On completion Woodside will have a 25 per cent interest in Buffon No. 1, BP Petroleum Australia 41.66 per cent, Shell (Australia) 25 per cent and Hematite Petroleum, a unit of BHP, 8.33 per cent.

* * *

Cie Francaise des Petroles has signed an oil exploration contract with the Egyptian Government, involving 400 sq km in the El-Darag region of the Gulf of Suez. Under the eight-year agreement the French company is committed to invest U.S.$16m (£6.85m).

LOFS chief not too optimistic

Although bulk carriers of London and Overseas Freighters are scheduled to produce sizeable operating surpluses, and its 18-year-old 33,512 dwt tanker is on a profitable time charter, Mr. M. E. Kulukundis, the chairman, says he cannot forecast an improvement this year on the last six months' trading.

There is no present intention of selling further ships, he tells members in his annual statement.

For the year ended March 31, 1980, following the first-half trading profit of £382,000 the group incurred a loss of £124,000 in the second six months. This reflected the marked deterioration in earnings of the large tankers in the first three months of 1980.

"Altogether it is a time for hanging on and striving to exploit the available tonnage to the best advantage—this we shall do, looking forward with confidence to the addition of new ships in the fleet in 1982, for it is not unreasonable to expect that available tanker tonnage will then more nearly match the demand" Mr. Kulukundis states.

The auditors have qualified the accounts in respect of the group's secured U.S. dollar loans which are included in the balance sheets at the sterling exchange rates ruling on draw-down dates. The auditors say if generally accepted accounting principles were applied, these loans would be translated at rates ruling at each accounting date with the differencies arising dealt with in the profit and loss account as extraordinary items.

On this basis, accumulated group surplus at March 31, 1980 would be reduced by £633,000 and secured loans in the group balance sheet would be increased by the same amount. The balance sheet figure for loans was £17.3m (£23.29m).

Meeting, Baltic Exchange Chambers, EC, July 8, 11 am.

RESULTS AND ACCOUNTS IN BRIEF

MDW HOLDINGS (building, civil engineers)—Results for 1979, reported April 22. Historical profit of £1.26m reduced to £0.86m on CCA basis. Work in progress £10.5m (£5.39m). Bank overdraft £2.25m (£0.61m). Meeting, Glasgow, June 30 at noon.

ENERGY SERVICES & ELECTRONICS—Results for 1979 with prospects reported April 30. On CCA basis, pre-tax profits £1.18m (£0.82m) compared with historical £1.33m (£1.06m). Shareholders' funds £5.23m (£4.44m). Bank overdrafts £763,000 (£492,000); long-term liabilities £281,000 (£324,000). Chairman says bank and other facilities now available are more than sufficient for year ahead and he expects them to be supplemented by reduction in Neve stock levels. Meeting, The Institute of Directors, SW, July 1, noon.

CONTINENTAL UNION TRUST—Results for year ended March 31 1980, reported May 9. Listed investments, at market value in GB £20.72m (£24.09m), abroad £6.88m (£9.14m), unlisted, at directors' valuation, £0.82m (£0.71m), agricultural property at cost £0.78m (nil). Bank balances and short-term loans £0.59m (£0.99m). Meeting, Winchester House, EC, July 2, 12.45 pm.

HIGHGATE OPTICAL AND INDUSTRIAL COMPANY (optical and audio equipment distributor)—Dividend for 1979 1.801p net (same), turnover £1.72m (£3.77m), pre-tax profit £18,339 (£12,527) including operating losses of French subsidiaries £1,724 (£11,500), tax £13,647 (£14,400). Prior year credit £76,854 (£62,372 debit), extraordinary credit £3,759 (nil). Earnings per share 0.23p (nil).

ARCHIMEDES INVESTMENT TRUST—Interim dividend for six months to April 30, 1980, 3p (2p) to reduce disparity; second interim of not less than 3.4p (4.1p) forecast. Gross revenue £88,352 (£57,943), expenses £7,905 (£7,881), tax £18,790 (£16,657). Net asset value per capital share 100.09p (99.17p).

ALPINE HOLDINGS (double glazing, windows, showers)—Results for year to January 31, 1980, and prospects, reported April 30. Historic pre-tax profit of £2.76m (£1.92m) reduced to £2.33m (£1.83m) on CCA basis. Group fixed assets £1.78m (£1.2m). Net current assets £2.97m (£1.68m) including cash £0.52m (£1.24m). Long-term loan £0.3m (nil). Shareholders' funds £3.7m (£2.54m). Meeting, Selfridge Hotel, W, July 3, noon.

B AND Q (RETAIL) (DIY chain)—Results for year to January 26, 1980, and prospects reported April 24. Shareholders' funds £2.73m (£1.32m), secured loans £1.15m (£0.5m), bank overdraft nil (£0.53m), increase in working capital £1.07m (£0.82m), capital commitments £1.59m (£0.19m) including £1.31m (£0.08m) authorised but not contracted for. Meeting, Connaught Rooms, London, WC, July 7, 1980, at noon.

ALLIED LEATHER INDUSTRIES (leather goods manufacturing, tanning, shoe repairing)—Results for 1979 reported June 5. Shareholders' funds £6.35m (£5.34m). Bank balances and cash £87,034 (£31,646). Bank overdrafts £772,753 (£234,869). Secured loan £90,000 (same). Unsecured loan £40,100 (nil). Meeting, Grosvenor Victoria Hotel, S.W., July 8, noon.

AYRTON, SAUNDERS (pharmaceutical products manufacturer and wholesale chemist)—Turnover for year to February 23, 1980, £9.16m (£8.55m), pre-tax profit £425,958 (£576,738), tax £117,116 (£306,445), gross dividend 10.71p, against equivalent 9.01p. Ordinary share capital and reserves £1.98m (£1.71m), bank overdraft £82,469 (£3,583), cash £1,068 (£838). Meeting, Liverpool, July 4, at noon.

ALTIFUND (investment trust)—Results for year ended March 31, 1980, already known. Listed GB investments £5.27m (£7.41m), abroad £498,463 (£280,295), unlisted £14,472 (£108,766). Bank overdraft £3,018 (nil). Meeting, 2, St. Mary Axe, EC, July 3, noon.

THE BROCKS GROUP OF COMPANIES (electronics manufacturer)—Results for 1979 and prospects reported on April 18. Shareholders' funds £6.79m (£6.55m), current assets £6.31m (£4.85m) including bank balances and cash £121,463 (£44,345) and loan £6,552 (£27,027). current liabilities £4.63m (£1.88m) including overdrafts £2.3m (£0.76m) and creditors and provisions £2.34m (£0.92m). Chairman states that a further substantial trading loss expected from the marine division should be balanced against the prime objective of reducing borrowings. The micro circuit division is on budget for considerably higher profits. Meeting, 77, London Wall EC, July 3, at 11.30 am.

CAMBRIAN AND GENERAL SECURITIES—For half year ended March 31, 1980, gross income £209,479 (£217,861). Net revenue £93,515 (£96,874), after tax £48,283 (£50,836) after interest, etc., £67,681 (£80,151). Investments value £5.61m (£6.59m), and net asset value per share 113.9p (120.7p).

BRITISH CINEMATOGRAPH THEATRES—Turnover, year to January 31, 1980, £3,615,625 (£3,272,972), profit £86,238 (£105,585) before tax £8,127 (£5,491). Extraordinary credit £74,917 (debit £76,684) from sale of property. Earnings 9.04p (11.59p) per share. Dividend 2.1p (1.75p).

SCOTTISH ONTARIO INVESTMENT COMPANY—Results for year to March 31 reported April 30. UK investments £12.93m (£15.18m), overseas £8.23m (£9.71m), unquoted £486,000 (£412,000). Total assets attributable to share capital £22.27m (£26.19m). Meeting, Edinburgh, July 4, 12.30 pm.

SCOTT'S RESTAURANT—Results for 1979: Net dividend 3.2p (2.16p): turnover £2.01m (£1.72m): pre-tax profit £91,240 (£121,152): tax charge £50,796 (credit £14,186), leaving £40,742 (£135,338). Stated earnings per 12½p share 16.3p (54.14p). Comparatives have been re-stated following change in accounting policy for deferred tax, increasing 1978 profits after tax by £82,696.

BIDS AND DEALS

Burger King in deal with MAM

BURGER KING, the fast food chain which sells hamburgers under that trade mark, has signed a major franchising agreement with the Management, Agency and Music Group.

MAM has substantial catering and entertainment interests, and the new agreement will result in the opening of at least 16 restaurants over a five-year period. The project anticipates a total investment of £6m.

The first of these restaurants, said Burger King yesterday, all of which will be located in the London TV area, is expected to open before the end of this year, with more scheduled for 1981.

Mr. Buddy Vasicek, general manager of Burger King in the UK, said yesterday, "we are delighted to have MAM with us at this stage of our expansion in the UK, and we are currently seeking more partners for further ventures."

Burger King has recently signed three other franchise agreements. The first covers a single restaurant in Luton which will open in October; the second, for six restaurants in the London area, one of which is now under construction in New Oxford Street and also opens in October. A third agreement covers a number of restaurants in North West London.

Burger King currently operates two company-owned restaurants in London, in Victoria Street and at Coventry Street where turnover has increased by 30 per cent in the past year.

In the last financial year the Burger King Corporation opened 314 restaurants bringing the world-wide total to 2,677. It is anticipated that a further 325 restaurants will be opened during the next year.

BICC/VERO PAYMENT

As indicated at the time of BICC's acquisition of Vero Electronics last November, a further payment of a maximum of £1,325,412 has become payable to former shareholders in Vero.

This will be satisfied by £737,034 cash and the balance of £588,378 by the issue of 475,266 ordinary shares.

Exchange clears listing of new G. Ewer shares

AS THE twists and turns continued in the bitterly contested bid battle between George Ewer and T. Cowie the Stock Exchange yesterday gave the green light to the listing for the new Ewer shares, issued under the Eastern Tractors acquisition.

A last minute appeal by Cowie against the listing was dismissed and this cleared the way for the formal application to be presented. This will be made on Monday, June 16 and listing is expected to be granted on June 18.

Allowing for the dilution of the new Ewer shares, Cowie is thought to have just over 48 per cent of the shares. But Ewer was in the market again yesterday buying shares at above the offer price of 52½p. Mr. Henry Ewer, chairman of Ewer, said yesterday he thought Cowie would find it difficult to secure any further shares.

But Ewer was not the only party in the market buying shares. Barclays Merchant Bank has asked the Stock Exchange Panel to make enquiries into Ewer share purchases yesterday.

With the problem solved over the listing of the new Ewer shares, the holders must decide what action to take over the bid. County Bank said that some strong assurances would need to be given about the future of Eastern Tractors if they were to accept. In the meantime shareholders should stay with the Ewer board which continues to oppose the bid.

Mr. Tom Cowie, chairman of T. Cowie, said yesterday that he would take a "sensible and mature look again" at the Eastern Tractors business. "It might be better than it looks." Mr. Cowie complained that he had been kept short of information on Eastern Tractors. He said the offer was going "very well."

Mr. Bingham-Wallis, managing director of Eastern Tractors, said yesterday that a merger between Ewer and Eastern Tractors had been discussed for the last three years. On the trading front he thought that this year would be difficult but looked to a return to more normal trading results in 1981.

BROKERS LINK UP

The London stockbroking firm of Bendon Langner and Co. has entered into an association with Thompsons Equity and Life Brokers, a firm of insurance brokers and tax planners, the aim being to widen the scope of services that each offers to their respective clients.

This type of association between stockbroker and insurance broker cum tax planner is likely to become increasingly popular. Clients of the stockbroker often seek advice on tax matters, the solution lying outside the role of the stockbroker. And insurance brokers have clients which need expert management for their portfolios, or wish to build up their own portfolio of stocks and shares.

Bendon Langner has a large private clientele, many of whom have sought advice on Capital Transfer Tax problems in particular. Through this association both firms can now extend formally the range of planning services.

Belhaven completes

Belhaven Brewery has completed the sale of its Bermuda subsidiary Colonial Cove Hotels to a company set up by Mr. Daniel Venter, a U.S. businessman, and associates.

The total cash consideration is £700,000 comprising £233,000 on completition, £233,000 on December 31, 1980 and £234,000 on December 31, 1981. Outstanding payments, which are guaranteed, carry interest at 12 per cent.

The consideration, net of Belhaven's related borrowings of £343,000, amounts to £357,000 compared with net tangible assets of Colonial at April 1, 1979 attributable to Belhaven of £430,000, and amounts due to Belhaven from Colonial at March 21, 1980, net of Belhaven's related borrowings, of £460,000.

In addition, £21,000 advanced to Colonial since March 21, 1980, will be repaid to Belhaven on September 30, 1980.

Based on unaudited accounts for 52 weeks to March 30, 1980, Colonial has traded at a loss of £177,000. The sale proceeds will be used to reduce Belhaven's borrowings.

Mr. Eric Morley, chairman and chief executive of Belhaven said that the company is now poised to move forward with expansion into the leisure industry and hopes to have news of acquisitions shortly. Current negotiations are at an advanced stage for sale of two further hotels owned but not operated by the company.

The agreement with Scopwick Investments and the directors of C. M. Pillings and Co., a subsidiary of Scopwick, has been renegotiated, and Scopwick and Pillings will come under the complete financial and management control of Belhaven.

LONDON SUMATRA PLANTATIONS LIMITED

Issued & Paid-up Capital—£1,593,171 in 10p shares

Secretaries

Harrisons & Crosfield, Limited

	Year ended 31.12.79	31.12.78
CONSOLIDATED PROFIT & DIVIDEND		
Profit after tax	£5,648,309	4,765,475
Extraordinary items	666,472	2,734,514
Profit attributable to shareholders	4,981,837	2,030,961
Dividends—per 10p share	8.0p	6.0p
—absorbing	1,274,536	955,902
CROPS HARVESTED *'000 kgs.*		
Rubber	19,500	20,500
Palm Oil & Kernels	46,800	41,100
Coffee	380	500
Tea	980	900
Cocoa	280	140

PLANTED ACREAGE *(Subject to survey)*
Rubber, Oil Palms, Coffee, Tea, Cocoa, Coconuts—105,315 acres.

Annual General Meeting—9th July 1980

HARTWELLS GROUP LIMITED

Cars and Commercial Vehicles, Agricultural Equipment, Heating Services and Fuel Oil Distribution

Year ended 29th February	1980 £000's	1979 £000's
Turnover	142,534	98,113
Profit before Interest & Taxation	3,955	2,722
Less Interest & Stock Finance Charges	1,094	469
Profit before Taxation	2,861	2,253
Earnings	2,461	1,943
Dividends	611	462
Earnings per Ordinary Share	23.5p	20.3p
Dividends per Ordinary Share	5.3p	4.5p

* Record year—Profits up 27 % on previous year

* Net Dividends (as adjusted for Capitalisation Issue June 1979) up 16.7% over 1979, 83.3% over 1978.

Annual General Meeting—Oxford, 4th July, 1980. Copies of the Report and Accounts may be obtained from The Secretary, Hartwells Group Limited, Seacourt Tower, West Way, Oxford OX2 0JP.

Strong earnings gain for Seagram in third quarter

BY ROBERT GIBBENS IN MONTREAL

SEAGRAM, the world's biggest distilling group, reports a resurgence in earnings and is set for another record year. The company, controlled by the Samuel Bronfman family, earned US$48.6m or $1.39 a share in the third quarter ended April 30 three times higher than the $12.2m or 35 cents a share a year earlier, on sales up 17 per cent to $668m from $571m. The latest period includes a gain of $15.8m or 45 cents a share from the sale of an office building.

This brings earnings for nine months to $104.8m or $2.99 a share, 75 per cent above 1979's corresponding $59.6m or $1.70 a share, the latest period including the 45 cents a share gain from the sale of an office building. Sales were 14 per cent higher at $2.23bn, against $2bn.

Net income for the whole of fiscal 1979 was a record $168m or $4.79 a share on revenues of $2.55bn.

The company recently sold the bulk of its U.S. oil properties to the Sun Company of Philadelphia for $2.3bn. But the effects of this are not shown in the nine months' figures.

Seagram says the third quarter included a foreign exchange gain of $3.7m against a loss of $8.4m a year earlier. In the nine months there was a net foreign exchange loss of $1.7m against a loss of $7.8m a year earlier. The improvement resulted mainly from a strengthening of the U.S. dollar against the Canadian dollar and some European currencies.

Diamond share tenders revealed

BY OUR FINANCIAL STAFF

CAVENHAM DEVELOPMENTS, which is seeking a 40 per cent stake in Diamond International, said yesterday that 925,977 shares in the wood products group so far had been tendered under its offer.

Cavenham, a subsidiary of Sir James Goldsmith's Generale Occidental retailing and food group, aims to buy a minimum of 2m shares and a maximum of of 4.5m under the increased $42-a-share offer. It already holds a little under 6 per cent of Diamond's shares.

Despite Diamond and Cavenham having reached a definitive agreement which limits Cavenham holding to 40 per cent over the next five years, Diamond directors have again declared the $42 bid "grossly inadequate."

None of the management or officers of the company intend offering their shares—they hold some 4.4 per cent of the capital—but are leaving shareholders to decide for themselves.

Previously announced talks which may have resulted in a counter-offer for Diamond have ended.

The increase in the original $40-a-share offer reflects the shareholder approval given to the takeover by Diamond of Brooks-Scanlon, a pulp and paper group, and has been seen as a concession by the Cavenham to the Diamond board.

Under the agreement between the two companies Cavenham has won minority representation on the board of Diamond, and while Cavenham's voting rights are restricted on certain matters Diamond will have to submit certain matters to a shareholder vote.

Orion again rebuffs Shearson

BY OUR NEW YORK STAFF

SHEARSON LOEB RHOADES, the Wall Street brokerage firm, yesterday received another rebuff from Orion Capital, the finance and insurance concern it has been courting for the past three years. But Shearson indicated that the offer would remain on the table until June 19.

Orion said it had unanimously rejected Shearson's approach on the advice of its legal and investment consultants because the proposed terms did not fully recognise Orion's value.

Shearson had tentatively offered a package of cash and securities valued at $20 a share, but Orion maintains that the package is not worth that much, and that Shearson has not fully committed itself to it.

But Mr. Sanford Weill, chairman of Shearson, said yesterday that the company's statement of June 9 is still valid. This said Shearson's offer to negotiate would stand open until June 19, and if it was rejected Shearson would not pursue the matter further.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on June 12

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	93⅞	94⅜	+0⅛	+1¼	11.06
Australian Res. 9⅜ 84	30	96⅝	97⅛	+0⅛	+1½	10.54
Beneficial Fin. 9⅝ 87	100	94½	94¾	+0⅛	+1⅛	10.89
CECA Gtd. Rate 12 86	100	99¾	100¼	+0⅛	+0⅝	11.19
CECA 11⅜ 90	50	100⅛	101	0	+1⅛	11.49
CECA 11½ 88	100	102⅝	103⅛	+0⅝	+1⅞	10.93
Canadian Pacific 9¾ 89	50	94½	95	+0⅛	+1½	10.69
Carter Hawley 9⅜ 86	50	94⅜	94¾	+0⅛	+1⅜	11.04
Continental Grp. 9⅝ 88	100	95⅛	95⅝	+0⅛	+1⅞	10.67
Denmark 11⅛ 90	100	101	101½	+0⅛	+1⅜	11.63
Dome Petroleum 13½ 92	50	104⅝	105⅛	+0⅛	+1⅞	12.67
EIB 11¾ 92	80	100⅜	100⅞	0	+0½	11.62
EIB 13¾ 90	100	109¾	110⅜	−0⅛	+1⅞	11.97
Eksportfinans 11⅞ 87	50	101⅜	101⅞	+0⅛	+1⅜	10.86
Export Dv. Cpn. 9⅜ 84	150	97⅝	98⅛	+0⅛	+1⅜	10.33
Export Dv. Cpn. 12⅝ 87	100	107	107½	+0⅛	+1⅜	11.18
European Comm. 11 95	75	98⅛	98⅝	+0⅛	+1⅛	11.22
Federal Dev. Bk. 12⅛ 85	75	105⅝	106⅛	+0⅛	+1½	10.64
Ford O/S Fin. 12⅝ 85	250	101⅞	102⅜	+0⅛	+0½	12.05
George Weston 13½ 87	30	*†102⅝	103	0	+0⅝	12.87
GTE Finance 9⅜ 89	55	90⅞	91⅜	0	+2	11.37
GMAC 9⅛ 86	100	93½	94	+0⅛	+1⅛	10.71
GMAC O/S Fin. 11 84	100	100⅞	101⅜	+0⅛	+1⅛	10.63
GMAC O/S Fin. 13⅝ 85	100	107	107½	0	+0⅝	11.32
Goodyear O/S 12½ 87	75	99⅝	100⅛	+0⅝	+1	12.52
ICI Fin. Ned. 11 83	100	101⅛	101⅝	+0⅛	+0⅛	10.38
Kennecott Int. 9½ 86	100	88⅝	89⅛	+0⅛	+1⅞	12.24
McGraw 13½ 85	75	102⅝	103⅛	+0⅛	+1⅞	12.65
Michelin 10 94	125	92	92½	+0⅛	+3⅜	11.19
Nat. Des. Telecm. 9½ 86	100	95½	96	0	+1⅜	10.49
New Brunswick 9¾ 94	75	89⅞	90⅜	+0⅛	+1½	11.18
Newfoundland 10 94	50	91⅞	92⅜	+0⅛	+1⅛	11.13
Norway 9½ 84	150	97⅝	98	+0⅛	+1⅜	10.22
Norwest Ind. 13⅛ 87	50	101⅞	102⅜	+0⅛	+1⅜	13.15
Nova Scotia Pwr. 9⅜ 89	50	92⅞	93⅜	+0⅛	+1⅛	10.99
Roylease Ltd. 11⅞ 85	50	101⅞	101⅞	+0⅛	−1⅛	10.88
SNCF 12⅝ 85	50	106⅝	107⅛	+0⅛	+1⅛	[illegible]
Statoil 9⅝ 89	100	94½	95⅛	+0⅛	+2⅛	10.49
Swed. Ex. Cred. 12½ 85	40	103⅞	104⅜	+0⅛	+1	11.37
Sweden 9⅜ 89	100	93⅜	93⅞	+0⅛	+1⅜	10.83
Sweden 9⅜ 84	100	97⅞	98⅜	+0⅛	+1½	10.30
Warner-Lambert 9 84	100	95⅞	96⅜	+0⅛	+1	10.21

Average price changes... On day +0⅛ on week +1⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	†102⅛	102⅝	−0⅛	−0⅛	8.61
Asian Dev. Bank 10 90	200	108⅝	109½	+0⅛	+0⅛	8.59
Australia 8⅛ 90	250	101⅛	101⅝	+0⅛	+0½	7.91
BFCE 7⅜ 87	100	98⅜	99	0	+0⅛	8.01
BFCE 8⅛ 86	100	99⅝	99⅞	+0⅛	+0⅝	8.24
Brazil 8 87	150	93⅜	94⅛	−0⅛	−2	9.23
CECA 7 91	150	92⅜	93½	+0⅛	+1⅜	7.97
Council of Eur. 7⅛ 89	100	93⅞	94⅜	−0⅛	−0⅛	8.18
Denmark 7⅞ 86	100	†97⅛	98⅜	+0⅛	+0⅛	8.26
Denmark 8⅛ 92	100	†99	100	+0⅛	+0⅛	8.31
EEC 7⅞ 94	225	97⅜	98⅜	−0⅛	−0⅛	8.11
EIB 7½ 89	200	97⅛	98	−0⅛	−0⅛	7.88
Finland Rep. of 8 86	150	98⅛	98⅞	0	+0⅛	8.29
Kobe, City of 7⅛ 89	150	94⅞	95⅜	0	−0⅛	7.85
Neder. Gasunie 8 86	100	100⅜	101½	−0⅛	−0⅛	7.76
Norway 7½ 85	250	99	99⅜	+0⅛	0	7.85
OKB 7⅞ 89	100	95½	96⅛	+0⅛	+0⅛	8.01
Oslo, City of 8⅛ 90	80	101½	102⅛	−0⅛	+0⅛	8.45
Sweden 9⅜ 87	200	†106⅛	107	−0⅛	+0⅛	8.42
World Bank 7⅜ 91	400	97⅛	98	+0⅛	−0⅛	8.08
World Bank 7⅞ 90	250	97⅞	98⅜	+0⅛	0	8.13
World Bank 10 86	150	107⅛	108½	−0⅛	+0⅛	8.28
World Bank 10 90	200	108⅞	109⅜	−0⅛	−0⅛	8.59

Average price changes... On day 0 on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	†95	96	−0⅛	−1	6.16
Aumar 5 89	60	†92½	93	−0½	−1	6.06
Bergen, City of 4¾ 91	40	95½	96	−0⅛	+0⅛	5.26
Bergen, City of 6 90	50	†102⅝	103⅛	−0⅛	−0⅛	5.60
BNDE 5 89	75	87½	88	−0⅛	+0⅛	6.85
BMW Overseas 4¾ 91	100	92⅜	92⅞	−0⅛	−0⅛	5.12
Buhrm'n-Tetterode 7 90	40	105⅛	105⅝	+0⅛	+0⅛	6.24
Caisse Nat. Tele. 4⅞ 89	100	94⅞	95⅜	+0⅛	+0⅛	5.06
CCCE 5⅝ 90	100	101⅜	102⅛	−0⅛	−1	5.47
Copenhagen 4½ 91	60	†90	90½	0	−0⅛	5.69
Council of Eur. 5 89	100	94½	95	+0⅛	0	5.73
EIB 4½ 91	100	92	92½	−0⅛	−2⅛	5.45
EIB 4⅜ 94	100	88⅛	88⅜	+0⅛	+0½	5.57
Elec. de France 4⅞ 89	100	95½	96	+1	+0⅛	4.96
GZB 4⅞ 89	100	91½	92	−0½	−0⅛	5.39
Hilti 4½ 91	35	†91½	92	−3⅛	−2⅛	5.23
Int.-Amer. Dev. 4½ 89	100	92	92½	0	−2½	5.60
Int.-Amer. Dev. 7 90	80	106⅜	106⅞	+0⅛	−0⅛	6.09
Jutland Tele. 5½ 90	50	100⅜	100⅞	0	0	5.41
Malaysia 5 89	80	90	90½	0	−0⅛	6.42
Nippon Tel. & T. 4⅞ 89	100	95	95½	+0½	+0⅛	4.89
Nordic Bank 5 89	45	95	95½	−1	−2⅛	5.68
Norges Komm. 4⅝ 91	100	92⅞	93⅜	+0⅛	+0½	5.19
OKB 4⅝ 91	100	91	91½	−0⅛	−0½	5.43
OKB 6 90	100	104⅛	104⅝	+0⅛	+0⅛	5.41
Oslo, City of 4⅝ 91	100	90	91	−0⅛	−0⅛	5.52
Shikoku El. Pwr. 4⅞ 89	100	94	94½	0	−0½	5.56
Stewaag 4⅞ 91	60	†96	96½	+1⅛	+1	5.20
Voest-Alpine 4⅞ 89	90	95½	96	−0½	−1½	5.36
World Bank 4⅜ 89	100	95½	96	−0⅛	+0⅛	5.22
World Bank 4⅜ 89	150	92⅞	93⅜	−0⅛	−0⅛	5.44
World Bank 4⅝ 91	100	92⅜	92⅞	+0⅛	−0⅛	5.51

Average price changes... On day −0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	91⅜	92⅜	−0½	−0½	8.42
Australia 6½ 88	20	88⅜	89⅞	0	+0⅛	8.48
EIB 7⅜ 89	12	94⅜	96⅛	0	+1⅝	8.46
Finland 5.6 83	10	91⅞	92⅜	−0⅛	−0⅛	8.52
Finland 6.8 88	10	89½	90⅜	+0⅛	+0⅛	8.63

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅜ 86 C$	60	95½	96⅛	+0⅛	+1⅛	11.80
CIBC 13½ 85 C$	50	104	104½	−0⅛	+0⅛	12.28
Cr. Foncier 10⅜ 84 C$	30	†92½	93½	−0½	+0½	12.56
Fst. Can. Inv. 10 84 C$	50	94⅛	94⅝	−0⅛	+0⅞	11.82
GMAC 12 85 C$	50	†99⅛	99⅝	0	+1	12.14
Quebec 10⅞ 86 C$	50	93	95	0	+1⅛	11.71
R. Bk. Canada 10 86 C$	40	94	94½	0	+1	11.38
R. Bk. Canada 10 94 C$	40	87⅞	88⅜	0	+0⅛	11.77
Tordom Cpn. 13½ 85 C$	30	104	104½	−0⅛	+0⅞	12.28
M. Bk. Dnmk. 9 91 EUA	25	94⅞	96⅛	0	0	9.65
SOFTE 8⅛ 89 EUA	40	88⅛	88	+0⅛	+0⅛	10.50
U. Bk. Nrwy. 9½ 90 EUA	18	98	99⅛	0	+0⅛	9.71
Algemene Bk. 8⅛ 84 Fl	75	96⅞	97⅜	−0½	−0⅛	9.07
Ned. Gasunie 8⅛ 84 Fl	50	98⅛	99⅛	−0⅛	−0⅛	9.09
Ned. Middbk. 8⅛ 84 Fl	75	96	96½	−0⅛	−0⅛	9.45
Norway 8⅛ 84 Fl	100	96⅝	97⅛	−0⅛	−0⅛	9.25
Norway 8⅛ 84 Fl	100	97⅛	97⅜	−0⅛	+0⅛	8.95
Philips Lamps 8⅛ 84 Fl	75	97	97½	−0⅛	−0⅛	9.15
Air France 11 84 FFr	120	†94⅛	95⅜	−0⅛	−0⅛	12.63
CECA 14⅜ 88 FFr	150	†104⅛	105⅛	+0⅛	+0½	13.00
Euratom 9⅝ 87 FFr	150	84⅛	86⅛	+0⅛	−0⅛	13.23
Finland 11 84 FFr	80	†93½	94½	−0⅛	−0⅛	12.84
Finland 11½ 89 FFr	70	†92	93	−0⅛	+0⅛	12.90
Gaz de France 11 84 FFr	150	93½	94½	0	−0⅛	12.82
IBM France 11⅞ 84 FFr	120	[illegible]	[illegible]	[illegible]	+0½	12.50
Renault 9⅞ 85 FFr	100	85½	86½	−0⅛	−0⅛	13.76
Saint-Gobain 9⅜ 86 FFr	130	84½	85½	0	−0⅛	13.58
Solvay et Cie 9⅞ 87 FFr	125	82⅛	83⅛	0	+0⅛	13.75
Beneficial Fin. 14⅛ 90 £	20	98⅛	99⅛	+0⅛	0	14.43
Citicorp O/S 13½ 90 £	50	98	98⅞	+0⅛	+0⅛	13.78
[illegible] 91 £	25	90⅛	91½	+0½	−0⅛	13.06
Fin. for Ind. 12½ 89 £	30	95⅞	96⅛	−0⅛	−0⅛	13.23
Fin. for Ind. 14½ 88 £	20	100⅜	101½	−0⅛	+0½	14.21
Gen. Elec. Co. 12½ 89 £	50	96⅛	97⅜	−0⅛	−0⅞	13.07
Swed. Ex. Cr. 15⅛ 85 £	20	102⅛	103⅛	+0⅛	+0⅛	14.35
Indonesia 8⅜ 91 KD	7	†93	93½	0	0	9.77
Mitsubishi 7½ 84 KD	10	†92⅛	93	0	0	9.74
Norges Kom. 7½ 89 KD	12	†92⅛	93⅞	0	0	8.55
Occidental 8⅛ 91 KD	7	†90⅛	90⅝	0	0	9.69
Akzo 9⅛ 87 LuxFr	500	[illegible]	[illegible]	[illegible]	[illegible]	10.49
Euratom 8 87 LuxFr	500	88⅛	89⅛	+0⅛	+1⅛	10.35
Euratom 9⅜ 88 LuxFr	500	[illegible]	99⅛	+0⅛	+0⅛	10.07
[illegible] LuxFr	600	97⅛	98⅛	−0⅛	+0⅛	10.19
Volvo 9⅜ 87 LuxFr	500	96⅝	97⅜	+0⅛	0	10.30

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅛ 87	0⅛	97½	98⅛	2/7	15⅛	15.41
Banco di Roma Int. 6 87	0⅛	100⅛	100⅝	26/10	15.31	15.24
Bank of Ireland 5⅛ 89	‡0⅛	98⅛	98⅞	21/8	11.81	11.98
Bank of Tokyo 5⅛ 89	‡0⅛	98	98½	25/10	16.56	16.86
Barclays O/S Inv. 5 90	0⅛	97⅝	98⅛	13/12	9⅝	9.83
Bergen Bk. A/S 6 89	‡0⅛	97⅛	97⅝	29/8	10	10.27
Bque. Indo Suez 5⅛ 89	0⅛	98⅛	99⅛	11/7	14.69	14.84
Citicorp O/S F. 84	‡0	98⅛	98⅞	8/9	10⅛	10.27
Citicorp O/S F. 83	§‡0	99⅛	99⅝	23/8	10.19	10.25
Citicorp O/S F. 84	§0	98⅛	98⅞	30/5	9.81	9.95
C. Itoh 5⅛ 87	0⅛	100⅞	101⅛	18/9	19.44	19.22
Co-operative Bk. 6 86	0⅛	98⅛	98⅞	15/11	11.44	11.60
Creditanstalt 5½ 91	§‡0⅛	97½	98	14/6	18.44	18.86
CNT 5⅛ 88	§0⅛	101½	102	16/10	18⅛	17.81
[illegible] 5½ 89	‡0⅛	98½	99	1/8	15⅛	15.44
Jugobanka 8 89	0⅞	90	92	23/11	11⅝	12.77
[illegible] Bank Japan 5⅛ 87	0⅛	101⅛	101⅝	15/10	18⅝	18.47
LTCB Japan 5⅛ 86	0⅛	98⅛	98⅞	13/12	9⅝	9.76
LTCB Japan 5½ 89	0⅛	98⅛	98⅝	7/12	10⅛	10.29
Mfrs. Han. O/S 5⅛ 94	‡0⅛	97⅞	98⅜	31/8	9⅞	10.06
Midland Intl. Fin. 5 89	0⅛	99⅝	100⅛	20/6	15	15.00
Midland Intl. Fin. 5⅛ 92	0⅛	98⅛	99⅛	5/12	10⅞	10.98
Nacional Fin. 6⅛ 86	0⅛	98⅛	98⅞	25/7	14.69	14.89
Nat. West. 5⅛ 94	§0⅛	101⅜	101⅞	11/10	18⅝	18.33
Nippon Credit 6½ 86	0⅛	97⅝	98⅛	12/7	14.44	14.75
Nippon Credit 5⅛ 87	‡0⅛	97⅜	98⅛	6/8	14⅛	14.67
Royal Bk. Scot. 5⅛ 94	§‡0⅛	99	99½	11/7	19½	19.65
Soc. C. de Bque. 6½ 87	0⅛	101⅛	101⅝	3/10	20.06	19.79
Sogenal 5⅛ 89	§0⅛	98⅛	98⅜	13/7	14.44	14.66
Standard Chart. 5⅛ 90	0⅛	101⅛	101⅝	6/9	17⅛	17.00
Sweden 6⅛ 91	‡0⅛	†97⅛	97⅝	18/10	18⅝	19.10
Williams & Glyn 5⅛ 91	0⅛	100⅞	101⅛	14/9	18½	18.27
Bq. E. d'Alg. 4⅛ 89 SF	0⅛	85½	86	18/6	6.69	7.80

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅛ 89	10/79	145	†117	118	0	−8.14
Ajinomoto 7⅛ 95	2/80	61.5	106⅝	107½	−0⅛	−0.91
Alco Int. Fin. 9½ 94	1/80	40	*92	93½	+0⅛	34.91
Apache I. Fin. 8⅛ 95	12/80	31.68	†115⅛	116⅛	+8⅛	43.84
Asahi Optical 7 94	11/79	526.1	†99	100	−0⅛	0.61
Canon 6⅞ 94	8/79	570	†110	111	−0½	−2.57
Credit Suisse 4⅛ 93	10/79	1278	†101	103	−0½	−2.20
Daiei Inc. 6½ 94	11/79	927.3	†97⅛	98⅛	+0⅛	21.80
DDKK 11 90	4/80	324	†115⅛	116⅛	−1	13.46
Dynalectron 9½ 95	8/80	12.22	†104½	106	−0⅛	−1.06
Enserch Fin. 8½ 94	7/80	30.25	†113	114	+5	10.78
LPC Internatnl. 8 89	9/79	23.33	*†98½	100	0	19.48
Meidensha Elec. 7 94	12/79	210	†99½	100⅛	−0⅛	7.31
Mitsubishi Cp. 6½ 94	10/79	549.1	†130	131½	−1⅛	3.45
Nippon Seiko 7⅛ 94	12/79	339	†114½	116½	0	3.42
Nitto Elec. Ind. 6 94	7/79	735	†82½	84	0	3.48
Toshiba Cpn. 7⅛ 94	10/79	198	†100⅜	101⅛	−0½	−2.35
Union Bk. Switz. 5 89	2/80	121.4	†97	99	−0⅛	1.74
Fujitsu 5 84 DM	7/79	476	101⅛	102⅛	+0⅛	9.17
Kansai Elec. 4 84 DM	4/79	1234	†86½	87½	0	36.03
Uny Co. 6½ 85 DM	11/79	1071	94	95	−0⅛	25.54

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

© The Financial Times Ltd., 1980. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by Inter-Bond Services (a subsidiary of dataSTREAM International).

Gulf and Western advances by 20%

By David Lascelles in New York

GULF AND WESTERN, the large diversified conglomerate which recently announced what it claimed was a breakthrough in car battery technology, yesterday reported a 20 per cent increase in earnings for its latest fiscal quarter, ending on April 30.

Net income was $60m (1.03 per share), up from $51m ($0.84) in the same period last year. Sales were up from $1.39bn to $1.47bn. This raised the nine month net profit to $192m ($3.30), compared with $167m ($2.67), on sales of $4.37bn against $3.9bn.

All the operating groups were profitable, though some, such as automotive parts, were weaker than in the same period last year because of the current economic environment.

Gulf and Western noted that its paper and building products group did not appear to have been affected by the economic slowdown, though its cement business was lower. There was also some weakness in the leisure time group and in financial services. Leisure results reflected the exceptional successes of the Paramount film division in the corresponding period while a contraction in the annuities portion of life insurance operations affected the financial services group.

Agricultural products and consumer business gained thanks largely to the sharp increase in sugar prices in recent months.

Earnings dip at General Cinema

By Our Financial Staff

GENERAL CINEMA, the largest independent bottler of soft drinks and operator of the biggest cinema chain in the U.S., reports a drop in second quarter operating net profit to $6.13m, or 56 cents a share, from $6.44m, or 59 cents a share, in the comparable period of 1979. Turnover was up, however—to $163m from $152m.

For the first six months operating net profit declined to $11.6m, or $1.06 a share, from $13m, or $1.09 a share, in the same period of the previous year. Revenue was $337m, against $303m.

The company said that it expected strong earnings in the second half of the year to achieve higher earnings for the whole year. In 1979 it had earnings of $2.79 a share from continuing operations.

Gloomy outlook for haulier

By Our Financial Staff

CONSOLIDATED Freightways, second largest trucking common carrier in the U.S., has forecast that its second quarter and full year earnings will be "substantially lower" because of the general decline in the economy. In last year's second quarter it earned $10m, or 77 cents a share, and profits for the whole of 1979 were $66m, or $5.06 a share.

The company, which also has interests in truck manufacturing and air freight forwarding, said that the economic decline had caused a greater fall in heavy-duty truck sales and a sharper drop in trucking tonnage than had been expected.

Reuter money dealing service

By Nicholas Colchester

REUTERS, the international news organisation, is to introduce its long-awaited Money Dealing Service in the next month or two, Sir Denis Hamilton, the chairman, told shareholders yesterday. This service will allow banks to buy and sell money instruments through Reuters' electronic information systems.

The company, which is owned by the newspaper organisations of the UK, Australia and New Zealand, is moving increasingly into the world of electronic hardware and software as the first comprehensive annual report ever published by the company makes clear. Capital investment last year, mainly on computer equipment, was £6m and an additional £3m was spent on research and development.

These accounts show that Reuters' revenues grew by 12.7 per cent last year to £76.3m ($178m) of which four-fifths accrued abroad, while profits grew by a more modest 7.7 per cent to £3.7m. A deterioration in the performance of associated companies resulted in pre-tax profits dropping marginally to £3.5m. In accordance with a policy of no dividends, which has been maintained since 1941, Reuters was abl to carry £3.1m to reserves.

The development of the dealing system heads Reuters' list of achievements last year: 175 banks have already subscribed to use the service.

INTERNATIONAL CAPITAL MARKETS

Denmark to raise $500m

BY PETER MONTAGNON

DENMARK IS RAISING a $500m, eight-year syndicated credit with a margin over Libor of ½ per cent throughout its life. The credit carries a four-year grace period and Morgan Guaranty is acting as agent.

The credit is expected to be the only jumbo-sized borrowing on the Euromarkets by the Kingdom of Denmark this year. Once it is completed the State will have arranged about two-thirds of its gross external borrowing needs for 1980, which are estimated at slightly over $2bn.

In April Denmark arranged a $225m club credit from a small group of banks under the co-ordination of Privatbanken AS. This deal also carried a margin of ½ per cent over eight years.

Now its bankers feel the time is ripe for a broader based approach, especially following the positive reception in the market of Sweden's current $850m financing with its split spread of ⅜-½.

Not only has the market overcome some of the uncertainty facing it earlier this year in the wake of the Iranian crisis; it is also very liquid. Also, despite its severe economic problems, Denmark still rates fairly highly as a borrower in a market that is keen to lend to politically stable countries in Western Europe.

Denmark has established a policy of keeping some $1.1bn always available in undrawn credits and has not yet drawn down some of its borrowings arranged last year.

Although not expressly stated in the loan documentation the banking community is assuming that credits will continue to be drawn down in the order in which they are arranged. This means the current $500m credit should not be drawn down till 1981.

There is thus a commitment fee of ⅜ per cent, which effectively adds a small sweetener to the pricing of the deal. The amount of the loan may be increased if market reception proves sufficiently positive.

Near peak issue total likely in U.S. rush for long-term funds

BY IAN HARGREAVES IN NEW YORK

THE U.S. bond market yesterday appeared to be comfortably digesting another huge raft of new issues, including a $250m offering in two parts by Sweden.

The flight into the long-term borrowing markets by cash-hungry U.S. corporations keen to lock themselves into what many perceive as today's bargain interest rates looks like producing a near record volume of new issues this month.

Salomon Brothers, the Wall Street securities firm, estimates the June total at almost $6bn, excluding foreign offerings, which is close to the record $6.4bn brought to the market last month.

However, the June total depends significantly on whether next week Chrysler is able to issue, as planned, the first $500m slice of its $1.5bn Government-backed notes.

The rush into long-term finance is producing a corresponding depressive effect upon other forms of borrowing, notably from commercial banks and, somewhat less so, in the commercial paper market.

The Federal Reserve reported yesterday that in April, the month in which the bond market rally started and interest rates started to fall from a mid-month peak, the amount of commercial paper outstanding from non-financial corporations in the U.S. registered its first monthly decline since August 1978.

The total slipped from $37.2bn in March to $35.9bn.

Unofficial estimates suggest that the decline continued in May and that the decline has become more rapid in the last two weeks as other short-term interest rates weakened.

Analysts consider, however, that it will require a significant further drop in the prime lending rate of the banks (currently between 12 per cent and 13 per cent) before commercial banks can start to draw business back from the commercial paper market, which allows corporations, in effect, to issue IOUs.

One-month commercial paper yesterday was trading at around 8¼ per cent.

The volume of new issues in the bond market—almost $1.5bn in the last two days—has not so far caused any serious recoil in the bond market rally.

Although there was some early selling pressure yesterday, the market had recovered by midday and in the early afternoon long bonds were showing modest gains.

Among the most popular issues yesterday was $100m 10-year issue by Campbells Soup, which was priced to yield 9⅞ per cent.

Seoul sets interest limit

By David Dodwell in Hong Kong

SOUTH KOREA will not borrow on the international money markets if it is forced to pay interest above 1 per cent over the London inter-bank offered rate, a Minister announced in Hong Kong yesterday. This is in spite of $1bn of borrowing planned for coming months.

Mr. Tchah Hwa-Jun, South Korean assistant Minister for Economic Co-operation, revealed the Government veto on high-interest borrowing at the signing in Hong Kong of a $63.75m consortium loan, the first instalment of a $425m financial package for upgrading the country's telecommunications network.

The loan signed yesterday will be repaid over eight years at Libor plus 0.75 per cent for the first four years, and Libor plus 0.875 per cent for the remainder. It was agreed before trouble erupted in South Korea.

Straight dollar bonds firm in thin trading

BY OUR EUROMARKETS STAFF

STRAIGHT DOLLAR Eurobonds posted average gains of about ½ point yesterday, but volume was rather low as investors once again tended to stay on the sidelines after recent sharp gains.

Dealers said the basic undertone in the market remains firm, but with less upward impetus coming from the New York market attention has concentrated on switching rather than outright buying.

New issuing activity also continues apace with two bonds launched yesterday for Citicorp and the French electric utility EDF.

Citicorp is raising $200m in six-year, 10 per cent bonds priced at par by managers Morgan Stanley, while the EDF issue is for $125m over eight years at 10 per cent. Managers are Credit Lyonnais and Goldman Sachs and the issue price is also par. The bonds carry a French Government guarantee.

In the Deutsche Mark sector Dresdner Bank announced a DM 150m issue for Oesterreichische Kontrollbank with a guarantee by Austria. The bonds have an 8½ per cent coupon, par issue price and maturity in 1992, making it the longest dated issue floated on this market since January.

Secondary market prices were little changed overall yesterday.

Although new issue coupons have moved lower over recent weeks the secondary market is being held back to some extent by the continuing firmness of short-term rates in the money market. The new 8 per cent issue for the City of Kobe was quoted yesterday around its issue price of par compared with the selling concession of 1½ per cent.

winterthur insurance

Consolidated Accounts 1979

Consolidated Profit and Loss Account in million francs		1979 Non-Life Insurance	1979 Life Insurance	1979 Total	1978 Total
Premium income	Direct business, gross	1917.5	1147.9	3065.4	2726.8
	Reinsurance accepted, gross	259.9	24.5	284.4	329.7
	Total, gross	2177.4	1172.4	3349.8	3056.5
	Reinsurance ceded	−170.1	−19.1	−189.2	−187.2
	Total, for own account	2007.3	1153.3	3160.6	2869.3
Insurance claims paid, for own account		−1152.0	−417.1	−1569.1	−1377.1
Dividends paid to policyholders, for own account		−12.9	−150.9	−163.8	−156.4
Change in insurance reserves, for own account		−272.4	−689.7	−962.1	−942.6
Expenses, for own account		−654.0	−184.3	−838.3	−762.9
Investment income		283.5	344.5	628.0	581.8
Yield from our share in non-consolidated participations		7.9		7.9	6.4
Interest paid		−16.4	−20.7	−37.1	−41.0
Depreciation		−92.2	−14.2	−106.4	−69.0
Minority interests		−0.1	0.0	−0.1	−0.1
Profit before taxes		98.7	20.9	119.6	108.4
Taxes				−51.8	−48.0
Annual profit				67.8	60.4

Consolidated Balance Sheet — per end of 1979, before allocation of net profit — in million francs

Assets		Liabilities		
Real estate	2168.2	Insurance reserves, Non-Life	3591.8	
Mortgages	1414.4	Insurance reserves, Life	6060.3	
Bonds and loans	6199.3	Insurance reserves, Total		9652.1
Stocks and shares	559.1	Policyholders' dividends left on deposit		263.6
Non-consolidated participations	88.7	Deposits from reinsurance ceded		168.3
Loans on policies	84.9	Convertible debentures		78.4
Deposits from reinsurance accepted	187.4	Other liabilities		846.4
Bank accounts and cash	147.4	Minority interests		0.8
Other assets	738.1	Shareholders' Funds		577.9
	11587.5			11587.5

The consolidated accounts comprise the assets, the liabilities, the earnings and the outlays of the parent company and of those companies, of which Winterthur Insurance owns directly or indirectly more than 50 per cent. The valuation of assets and liabilities is in conformity with the provisions laid down in the individual countries for the published annual accounts.

The figures of Winterthur Norwich Reinsurance Corporation and of Norwich-Winterthur Holdings, in which our company has a 46 per cent share, and for the first time of Itaú-Winterthur are consolidated in accordance with the equity method of accounting. The value of our shares in the capital and in the results of these companies appears under the headings "Non-consolidated participations" and "Yield from our share in non-consolidated participations".

The remaining participations are included in the consolidated figures with their book value and with the dividends received.

The shareholders' funds include the consolidation reserve which is given by the difference between the surplus recorded by the subsidiaries and their book values in the parent company. It would have been roughly 323 million higher, had the investments in securities been carried at their market value.

Winterthur Swiss Insurance Company Head Office General-Guisan-Strasse 40 CH-8400 Winterthur

Branches and subsidiaries of Winterthur Group in Germany, France, Belgium, Luxemburg, Canada, Spain, Netherlands, Italy, Denmark, Austria, Sweden, Portugal, USA

Participations and co-operating partners of Winterthur Group: Winterthur-Norwich Reinsurance Corporation, Winterthur CH; Norwich Winterthur Holdings Limited, Norwich; Provident Life Association of London Limited, London; CNA Financial Corporation, Chicago; The Chiyoda Fire & Marine Insurance Co. Ltd., Tokyo, and Itaú Winterthur Seguradora, São Paulo.

These certificates have been sold. This announcement appears as a matter of record only.

New Issue May 1980

US$20,000,000

The Mitsubishi Bank, Limited

(London Branch)

Negotiable Floating Rate Certificates of Deposit

Maturity Date May 31, 1983

Arranged by

Orion Bank Limited Mitsubishi Bank (Europe) S.A.

Agent Bank

Orion Bank Limited

ORION

KLOECKNER-HUMBOLDT-DEUTZ

Riding high on the diesel revival

BY ROGER BOYES IN BONN

WEST GERMAN engine manufacturers could be forgiven for feeling that the oil crisis, like hanging, concentrates the mind wonderfully. The motor industry's pre-occupation with fuel economy has sparked off a trend to diesel engines which is opening up wide opportunities in the U.S. and other overseas markets.

At the hub of the diesel revival is a well-established German company whose name is almost synonomous with engine production—Kloeckner Humboldt Deutz. KHD was founded in 1864 by Herr N. A. Otto—the inventor of the carburettor and the principle of the four-stroke engine—and Herr Eugen Langen. The "Deutz" in KHD stands for the Cologne suburb where Herr Otto's first factory stood. Even today petrol engines are known as "Otto engines" in Germany.

Herr Otto's company merged with the Humboldt mechanical engineering concern in the 1920s, then the Kloeckners, an old German steel family, bought a majority shareholding in the concern. This has given KHD a broad industrial base to face the difficult post-war years and has allowed it to diversify into agricultural machinery, turnkey industrial plant construction and commercial vehicles.

During various German engineering crises KHD has moved in and out of a number of industrial areas and, apart from lean times in the early 1970s, has consistently done well. Sales have been well above DM 3bn ($1.7bn) for the past three years compared to DM 1bn just over a decade ago. But its profit margins are under considerable pressure.

Despite the diversification, KHD had stayed with its traditional strength of engine production, guaranteeing itself an important market niche for the 1980s. It is Germany's largest producer of diesel and gas turbine engines.

Diesel engine production is not new to Europe. Substitution of diesel oil for petrol in cars has been taking root in Germany and France, especially since the 1973 oil crisis, and diesel oil has long been the standard fuel of German trucks and buses.

But the United States is different. International Harvester, for example, has predicted that the proportion of U.S. diesel-engined trucks in the 9-11.8 tonnes range would rise from about 8 per cent in 1978 to 15 per cent this year and to 35 per cent by 1985.

This is a substantial opportunity for competitive producers of diesel engines, even if U.S. truck production is flagging. The potential has not been overlooked by other German manufacturers—Daimler Benz, Volkswagen and Maschinefabrik Augsburg Nuerenberg (MAN) are expanding their stakes in the U.S. and Latin America.

KHD, the West German engineering company, is preparing itself for the strong trend to diesel engines in the U.S. and other overseas markets. It is, for example, setting up a network of international supply and assembly agreements and selling minority stakes.

KHD hopes to raise its annual U.S. sales of air-cooled diesel engines to more than 40,000 by the middle of the decade from 22,000 now. As a springboard, it bought last year an assembly plant in Richmond, Indiana, from American Motors Corporation. On the surface there seemed to be parallels with the ultimately unsuccessful efforts of MAN to take over White Motors of Cleveland.

The underlying logic was the same: the strength of the Deutsche Mark against the dollar was pushing its export prices too high while U.S. labour and production costs were significantly below Germany's.

But unlike MAN, KHD is no longer interested in producing commercial vehicles. In the early 1970s, KHD merged its commercial vehicle section with Fiat's in a new holding company, Iveco. It was intended to be a major challenger to Daimler. KHD now wants to sell its 20 per cent holding in Iveco to Fiat and completely shed its commercial vehicle interests. Fiat is complaining about the price but KHD expects the sale to go ahead. This will free KHD to supply diesel engines to competitors of Iveco and thus capitalise fully on the diesel revival.

Iveco is committed to buying a large number of engines from KHD over the next five years despite KHD's departure. Last year KHD supplied 23,000 engines to Iveco.

Herr Bodo Liebe, KHD chairman, recently spelled out the company's strategy for the 1980s: no more minority stakes, strong sales growth partly through a network of international supply and assembly agreements, more investment in research and development to keep competitive and the modernisation of domestic works.

This is the strategy of an independent company, Herr Liebe emphasises: the market has speculated that KHD has been holding take over talks with Volkswagen. Senior executives stress that it simply does not make sense for KHD to throw in its lot with VW at this stage because it would reverse its recently won flexibility.

The company, however, does not rule out some sort of agreement on research and development with a motor manufacturer. KHD is currently testing the effects of alternative fuels for its engines and has already produced a diesel modified for a methanol-based fuel.

REUTERS NEW LONDON TELEPHONE NUMBER

01-250 1122

REUTERS

World markets as they move

KLM forced to pass dividend

BY CHARLES BATCHELOR IN AMSTERDAM

KLM will not pay a dividend for the year ended March 31 following the sharp increase in fuel costs and mounting competition from airlines offering cut-price travel.

At the net level, profits last year slumped to Fl 15m ($7.7m) from Fl 82m, with operating profits down to Fl 17m compared to Fl 90m. Revenues were Fl 3.24bn, or 14 per cent higher than for 1978-79.

KLM's shareholders are no strangers to missed dividends. In 1978-79 the airline paid Fl 7 a share which was Fl 1 down on the previous 12 months. Before that there were five years of missed payments.

The company's net interest charge rose to Fl 23m against Fl 9m. The sale of aircraft and other equipment produced Fl 4m compared with Fl 1m the year before.

The company paid no tax last year because of accumulated losses. It still has an accumulated loss of about Fl 200m which it can set against future profits.

Traffic rose 11 per cent to 3.35bn tonne km with growth occurring primarily in the low-tariff sectors. The load factor increased to 61.1 per cent from 60.1 per cent.

Traffic revenues rose faster than volume—by 16 against 11 per cent. Fare increases still lagged behind fuel price rises, however, leaving Fl 95m of the Fl 298m increase uncompensated for.

● Amev, the second-largest Dutch insurance group, reports a 19 per cent rise in first quarter net profit to Fl 24.7m. Group turnover increased by 13 per cent to Fl 835m, while total sums insured rose to Fl 56.3bn from Fl 53.7bn.

Together with realised gains on investments, profit before tax of the life insurance operations increased by Fl 4.8m to Fl 23m. The increase was aided by high money market rates. Non-life business also showed an increase with results before tax and provisions improving by Fl 2.8m to Fl 9.4m.

Amev said that "barring unforeseen circumstances" profit for 1980 as a whole could be expected to grow by more than 10 per cent.

Sharp rise in sales at Huels

By Jonathan Carr in Bonn

CHEMISCHE WERKE HUELS (CWH), the key chemicals subsidiary of the Veba energy concern, reports sharply increased sales for the first five months of 1980 and expects "satisfactory profits" for the year as a whole.

Dr. Karl Moenkmeyer, the chairman, said group turnover had risen in January-May by 25.4 per cent to DM 2.53bn ($1.43bn) and that of the parent company by 25.1 per cent to DM 2.1bn.

Profits for the first quarter were satisfactory (but not specified) although there had been some slowdown since. A double figure dividend for 1980 was likely, but there were uncertainties on how far increased energy costs could be passed on in higher prices.

At this time last year Huels also expressed misgivings about business in the second half—but its final 1979 figures show a highly positive result.

Net profit for 1979 increased sharply from DM 17.3m to DM 84.1m. A transfer of DM 34.3m has been made to reserves, and a 14 per cent dividend is being paid. Both group and parent company sales virtually doubled, the former to DM 5.5bn and the latter to DM 4.6bn.

The spectacular growth rates are partly the result of the restructuring of Veba's chemicals interests, which have placed more production activities under the Huels umbrella. But they also indicate that the company is having marked success in its trend to greater product specialisation — a policy also reflected in its purchase of a stake in Roehm, the Darmstadt-based plexiglass manufacturer.

● E. MERCK, the Darmstadt-based pharmaceuticals concern, expects world sales growth of about 10 per cent this year after a rise of 8.9 per cent to DM 1.8bn in 1979. The company is planning 1980 investment of at least DM 150m of which $25m alone will be in the U.S.

Expansion hits Karstadt's profits

BY KEVIN DONE IN FRANKFURT

KARSTADT'S rapid expansion in recent years—it is now the largest retail organisation outside the U.S.—is being achieved at a growing cost to the group's profitability.

After-tax profits fell to DM 17.2m last year compared with DM 24m in 1977-78, while group sales grew by 4.2 per cent to DM 12.2bn ($6.8bn).

The reduced dividend of DM 6.00 per share, down by DM 1.50 from 1978's level, paid by the parent company was only possible because the company chose to draw partly on reserves. Parent company after-tax profits fell from DM 64m in 1978 to DM 43.2m last year, the lowest point for more than 10 years.

The group's majority-owned mail order subsidiary Neckermann, taken over in 1976-77 in which Karstadt holds a 51.2 per cent interest, managed to significantly reduce its losses last year, but it still had a deficit of DM 25.9m compared with a loss of DM 10m in 1978.

Karstadt has still to recover from the far-reaching re-organisation of the group, which began in 1977. It has undertaken the integration of the whole of its Kepa chain of smaller department stores into the main Karstadt retail group—some stores have been closed or rented out, while others have been turned into specialist stores for furniture and furnishings or sport and leisure goods.

At the same time it has had to assimilate the department stores sector of the Neckermann group, which was saved from financial collapse in 1976.

Of the 67 Kepa stores operating as an independent entity in 1977, only 11 remained by the end of last year, and a further seven will be closed during the course of 1980.

Unlike its major rival Kaufhof, which is developing intensively its chain of smaller stores under the separate identity of Kaufhalle, Karstadt is aiming for a unified image under one name.

At the same time it is developing speciality stores in specific sectors in which it sees prospects of strong growth in the next decade, such as furniture and furnishings, hobby and sports goods, electrical goods and some hardware.

German energy group ahead

ESSEN—STEAG, an energy company controlled by Ruhrkohle, reported its 1979 group profits increased 15.4 per cent to DM 25.04m ($14.43m).

The company increased its 1979 dividend to DM 12 per share from DM 10 in 1978. Some DM 14.2m were added to reserves, up from DM 12.9m in 1978, STEAG said.

Sales of the STEAG group, mainly of electricity and energy services, rose 27 per cent to DM 2.06bn in 1979 from DM 1.63bn in 1978.

The sharpest rise, 206 per cent was recorded by STEAG's trading division, which increased sales to DM 437m from DM 143m in 1978.

Sales of the power generating division rose 8 per cent to DM 1.36bn, STEAG said.

Investments, at DM 102m, were sharply down from DM 174m in 1978. Last year capital goods investments totalled DM 66.2m, of which DM 63.3m were invested in the power generating and heating divisions.

AP-DJ

Hoechst sells sunglasses producer to subsidiary

BY TERRY DODSWORTH, IN PARIS

ROUSSEL-UCLAF, the French pharmaceuticals company, plans to become one of the world's leading sunglass manufacturing groups through the acquisition of Foster Grant in the U.S. for about FFr 108m ($26.5m). Both Uclaf and Foster Grant are owned by West German chemicals group, Hoechst.

The deal follows only a few months after the French company bought an 80 per cent stake in Societe d'Application des Matieres Plastiques, the producer of the Solar range of sunglasses and goggles, which is claimed to be the third largest European company in its sector.

Foster Grant is reckoned to have an even more dominant position in the U.S. mass market, controlling about 30 per cent of sales.

Roussel-Uclaf, with more than half of its current sales overseas, has been following a vigorous policy of foreign expansion.

But the agreement with Foster Grant also falls within the framework of a reorganisation in the interests of Hoechst, which has a 58 per cent stake in Roussel-Uclaf.

With these new acquisitions, Roussel-Uclaf is predicting rapid expansion in its business to a turnover of FFr 7bn in 1982, compared with FFr 4.5bn last year.

While profits rose only marginally last year to FFr 107m on a consolidated basis, the company had a cash flow of FFr 288m which, it says, should largely enable it to finance expansion in its traditional areas of business, such as chemicals, health and veterinary products.

A capital increase last year from FFr 334m to FFr 445m has helped take care of any financial worries it might have in funding its external growth.

The company added that investments are to be maintained at the rate of about FFr 300m a year.

First quarter growth at UCB

By Our Financial Staff

TRADING at UCB, the Belgian group whose activities range from chemicals to packaging and films, has been maintained at a favourable level during the first quarter of 1980.

All group divisions have produced good results in the wake of the strong recovery that occurred last year and helped to more than treble 1974 profits.

However, trading during subsequent months has slackened. European chemical demand has fallen off noticeably since March and signs of weakness have crept into the group's film operations in the UK. Pharmaceuticals have remained strong.

Last year UCB achieved profits before tax of BFr 473m ($17m) up from BFr 151m and a final dividend of BFr 80 a share restored shareholders' total payment to the BFr 140 level last seen three years earlier.

The personal touch in the city.

If you appreciate friendly, personal attention to your financial affairs by experts, come and talk to Bank Hapoalim.

Like our rose, the personal touch is something with which we are becoming increasingly associated.

And that's not only in our City of London, West End and Manchester branches but also across our group's entire network of over 300 branches in Israel and offices in the world's major financial centres.

So we can help you develop your business all over the world.

And of course, we'll open up the limitless opportunities of our own vigorous country, Israel.

Call in or give us a ring. And find out what a difference the personal touch can make.

Bank Hapoalim B.M.

We handle all your affairs with the personal touch.

Head Office 50 Rothschild Boulevard, Tel Aviv, Israel. Tel. 628111. London West End Branch 8/12 Brook Street. Tel. 01-499 0792 City Branch 22/23 Lawrence Lane. Tel. 01-600 0382 Manchester 7 Charlotte Street. Tel. 061-228 2406

New York, Los Angeles, Chicago, Boston, Philadelphia, Miami, Zürich, Paris, Luxembourg, Toronto, Montreal, Buenos Aires, São Paulo, Caracas, Montevideo, Punta del Este.

Restructuring for Spanish textile group

BY ROBERT GRAHAM IN MADRID

AFTER MORE than two years of negotiation a Government-sponsored agreement has been reached on the future of Intelhorce, the largest textile manufacturer in southern Spain, whose accumulated losses total about $150m.

One of the principal elements of the agreement involves a write off by the shareholders, mainly Banco de Madrid and Cadesbank, of Pta 7.5bn ($107m) of borrowings plus a write down of Pta 3bn ($42.8m) capital to a nominal single peseta.

The agreement has been made possible by the absorption last month by Spain's leading bank, Banesto, of the Banco de Madrid and the refloating of Cadesbank. The accumulated losses at Intelhorce had been the principal burden on the two banks.

In addition, a further Pta 5.4bn ($57.8m) of outstanding debts is to be restructured and refinanced. The Government has undertaken to find new operating capital for the company.

It is likely that the state holding company INI, will be obliged to buy out the company since the Government has undertaken to retain its 2,870 workers at the Intelhorce plant in Malaga.

The fate of Intelhorce has aroused tremendous passion in Southern Spain where the company is the largest industrial employer. The company was established in 1957 by INN following pressure by regional authorities to lessen the Costa del Sol's dependence upon tourism.

In 1972 INI sold out a number of Barcelona textile interests which included Cadesbank, and the Castell group which was linked to Banco de Madrid.

Trade unions insisted that the sale was prompted by pressure from the powerful Barcelona textile lobby which felt Intelhorce's lower labour costs and modern machinery was providing too much competition. After the sale Intelhorce's administration and marketing operations were transferred to Barcelona.

In the late 1970s Intelhorce began to run into financial difficulties, due to competition from developing country exports. This led to moves in early 1978 to sell the company back to INI. At first the Government opposed the idea.

However, the difficulties Intelhorce created for its main shareholders has ultimately obliged the Government to intervene.

City Developments S$65m rights to fund diversification

BY GEORGIE LEE IN SINGAPORE

CITY DEVELOPMENTS, one of Singapore's bigger property developers, has announced a rights issue of two new shares for every three held, at a price of S$1.60 per share, to finance its diversification into the hotel industry and other investment projects.

Together with its announcement of the rights issue, which will raise some S$64.8m (US$ 30.42m) for City Developments, the property group disclosed that it has agreed to acquire a 64.5 per cent stake in King's Hotel Limited for S$13.6m cash, and the entire issued caiptal, land and building of Orchid Inn for S$21.5m cash.

King's Hotel Limited, which is a public listed company with an issued capital of 4.5m shares of S$1 par value each, is the owner and operator of a 312-room hotel in Singapore. King's Hotel reported pre-tax profit of S$1.23m (US$569,444) for the year ended December 1979. City Developments which is acquiring 2.9m shares in King's Hotel has been granted exemption by the Securities Industry Council from having to make an offer to acquire the remaining shares.

Of the 2.9m shares offered to City Developments, 1.5m shares came from its related company, the Hong Leong Finance Group, and the remainder from other shareholders who are believed also to be major shareholders of City Developments.

Orchid Inn which sits on 13,152 square metres of freehold land in Singapore is undergoing a major expansion which will raise its present capacity of 122 rooms to 321 rooms by the end of next year.

The total cost of the expansion, estimated at S$15.2m will be borne by City Developments, thus raising its total investment in Orchid Inn to S$36.7m.

Orchid Inn reported pre-tax profit of S$477,000 (US$ 344,444) for the year ended November 1979. However, the current year's profit is not expected to exceed this figure in view of the hotel's reduced capacity while construction is in progress.

Substantial shareholders of City Developments have agreed to subscribe to 55.1 per cent of the proposed rights issue. Morgan Grenfell Asia will underwrite the balance of the issue.

U.S.$30,000,000
SUMITOMO HEAVY INDUSTRIES, LTD.
(Incorporated with limited liability in Japan)
Guaranteed Floating Rate Notes Due 1984

Unconditionally guaranteed as to payment of principal and interest by
THE SUMITOMO BANK, LIMITED
(Incorporated with limited liability in Japan)

In accordance with the provisions of the Notes and Agent Bank Agreement between Sumitomo Heavy Industries, Ltd., The Sumitomo Bank, Limited and Citibank, N.A., dated 5th September, 1979, notice is hereby given that the Rate of Interest for the Interest Period has been fixed at $9\frac{7}{16}$% p.a. and that the interest payable on the relevant Interest Payment Date, 13th September, 1980 against Coupon No. 4 in respect of U.S.$25,000 nominal amount of the Notes will be U.S.$602.95 and has been computed on the actual number of days elapsed (92) divided by 360.

13th June, 1980
By: Citibank, N.A., London,
Agent Bank
CITIBANK

Offer by Bank of NSW subsidiary

SYDNEY — The Bank of New South Wales subsidiary, Australian Guarantee Corporation, said that it is offering debentures and unsecured notes with coupons ranging from 9.5 per cent to 12.25 per cent compared with 9.5 per cent to 11.75 per cent on its previous series.

The company said that it will issue A$180m (US$203.16m) of the debentures and notes, with a maximum of A$70m more of over subscriptions.

It said that it is issuing preference debentures with maturities of one year at 10.75 per cent against 10.50 per cent for its previous series, two years at 11.50 per cent (11.25 per cent), three and fours years at 12.25 per cent (11.75 per cent) and five years at 12 per cent (11.50 per cent).

It will offer unsecured notes for three months and then at call at 9.5 per cent (same), for one year at 11.25 per cent (11.0 per cent) and for two years at 12.25 per cent (11.5 per cent).

The company added it will also offer first charge debentures with compound interest for up to 10 years with rates of up to 12.25 per cent.
Reuter

Advance by Yeo Hiap Seng

SINGAPORE — Yeo Hiap Seng, the food and beverage group, posted a 24.9 per cent gain in pre-tax profits for the half year to March 31, to S$5.2m (US$2.45m) over the year-earlier period. Sales advanced by 16.2 per cent to S$28.6m (US$13.45m). However, the company has declared an interim dividend of 7 Singapore cents, down from 10 Singapore cents a year earlier.

The company said the improvement in group sales was due particularly to overseas operations.
AP DJ

COMMERCIAL BANKS IN BAHRAIN

A tougher year for profits

BY MARY FRINGS IN BAHRAIN

THE BAHRAIN BRANCH of Grindlays Bank showed a 90 per cent improvement in profit to BD 450,000 ($1.2m) in 1979, according to figures for the commercial banking market released by the Bahrain Monetary Agency. But its return on average assets was only 1.78 per cent, in a difficult financial climate which pared margins to a minimum. Eight other branches of international banks did less well than in 1978.

The 19 commercial banks reporting to the BMA, one more than in 1978, recorded total assets of BD 945m ($2.5bn), an increase of 16 per cent. Profits amounted to BD 15.7m ($42m) compared with BD 10m in the previous year, but the bulk of the increase was extraordinary income collected by the three locally-incorporated banks on offshore share issues. Without this special factor, overall profitability is likely to have been lower than in 1978. The three local banks together accounted for 57.8 per cent of the total assets and 66 per cent of the profits.

Bank of Bahrain and Kuwait (BBK) was top of the table in terms of size, for the first time outstripping its longer-established rival, National Bank of Bahrain, although it must be borne in mind that BBK consolidates the results of its Bahrain operation with both the offshore banking unit and the branch in Kuwait. BBK showed a 38 per cent increase in net ordinary income, and a return on average assets of 2.13 per cent.

Some banks claim the figures reported to the BMA for branches of major internationals are of no value in assessing performance. This is the case with Citibank, which has a commercial bank, an offshore banking unit (OBU), and a regional treasury office in Bahrain. The published profits of the commercial operation show an 89 per cent drop from BD 549,000 to BD 63,000, with a return on average assets of 0.11 per cent.

Chase Manhattan still shows a good rate of return at 3.17 per cent, but actual profit fell 46 per cent to BD 209,000.

Continental Bank, incorporated in the Cayman Islands as a joint venture between Continental Illinois National Bank and Trust Company and Bahraini interests, has shown a loss in each of its three years of operation, although there was a marginal improvement in 1979 from a loss of BD 106,000 to a loss of BD 101,000. One view is that Continental's role in the market, as a wholesale bank, was snatched away by the influx of more than 50 OBU's, many of them with far greater capital strength. Negotiations are going on between the shareholders, and there may be changes in structure before the end of the year.

COMMERCIAL BANKS IN BAHRAIN

	1979 profit BD 000	Change %	Assets BDm	Return on assets %
Al-Ahli Commercial	894	(first year)	26.01	6.11
Banque du Caire	141	+ 1	3.24	3.89
Chase Manhattan	209	−46	7.40	3.17
Habib	316	+34	10.16	3.11
Rafidain	117	− 2	5.41	2.17
Bank of Bahrain & Kuwait	5,762	+38	318.54	2.13
Chartered Bank	1,909	+16	96.3	2.04
United Bank	400	−15	23.52	1.79
Grindlays Bank	450	+91	37.11	1.78
National Bank of Bahrain	3,680	+26	201.9	1.69
Arab Bank	250	+35	15.52	1.65
Brit. Bank of Middle East	896	+27	53.84	1.54
Paribas	146	−29	11.86	1.31
Algemene Bank Nederland	89	−26	9.54	1.08
Bank Saderat Iran	147	−69	72.07	1.07
National Bank of Abu Dhabi	68	−55	10.29	0.76
Bank Melli Iran	257	+55	40.62	0.65
Citibank	63	−89	56.53	0.11
Continental Bank	*−101	†+ 5	5.75	−1.70

* Loss. † Against loss of BD 106,000 in 1978.

United Bank of India growth

BY P. C. MAHANTI IN CALCUTTA

THE United Bank of India, the 10th largest public sector bank, and the the 10th largest commercial bank in India, has achieved a better rate of deposit growth in 1979 than the banking industry as a whole.

Deposits went up during the year to Rs 11.67bn ($1.5bn) from Rs 9.6bn, a growth rate of 21.5 per cent against the industry average of 18 per cent.

However, the United Bank's growth rate in advances of 13.2 per cent, though appreciably higher than the previous years 10.7 per cent was lower than the industry average of 16.4 per cent. Mr. Susanta Niyogi, the chairman and managing director, attributes the limited growth in advances to the bank's strict compliance with the Reserve Bank's directive to observe a high degree of discipline in lending.

For the banking industry as a whole, growth rates in both deposits and advances were sharply lower than those of the previous year, which were 24.5 per cent and 20.7 per cent respectively.

Despite the lower growth rate in advances, United Bank earned a higher profit of Rs 13.6m ($1.74m) against Rs 11.27m in 1978.

There is now a Government directive to raise the proportion of advances to the priority sector (agriculture, small scale industry and business professional and self-employed people etc.) to 40 per cent from the present 33.33 per cent. The banks are allowed to charge only 10 to 12 per cent on these advances as against the full commercial rate of 16 to 18 per cent charged to business and industry. Bankers fear that their profitability will be affected.

This announcement appears as a matter of record only.
TAQSA
Tarragona Quimica, S.A.
US$15,000,000
Medium Term Loan
Guaranteed by
Unión Explosivos Rio Tinto, S.A.
Hoechst AG
Arranged by
Continental Illinois Limited
Provided by
Continental Illinois National Bank and Trust Company of Chicago
– Madrid Branch –
Algemene Bank Nederland N.V.
– Madrid Branch –
Banque de l'Indochine et de Suez
– Madrid Branch –
Die Erste österreichische Spar-Casse
Agent
CONTINENTAL ILLINOIS LIMITED
May 1980

CREDITANSTALT-BANKVEREIN
Issue of up to
U.S. $80,000,000
Floating Rate Notes 1991
Extendible at the Noteholder's option to 1997
Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the three months from 16th June, 1980 to 16th September, 1980 the Notes will carry an interest rate of $9\frac{7}{16}$% per annum. On 16th September, 1980 interest of U.S.$24.12 will be due per U.S.$1,000 Note and U.S.$241.18 due per U.S.$10,000 Note for Coupon No. 5.
European Banking Company Limited
(Agent Bank)
13th June, 1980.

This announcement appears as a matter of record only.
Gabinete da Area de Sines
US$30,000,000
Medium Term Loan
Guaranteed by
Banco Pinto e Sotto Mayor
Managed by
Banco Pinto e Sotto Mayor
Chase Merchant Banking Group
Midland Bank Limited
Funds provided by
Midland Bank Limited
Banco Pinto e Sotto Mayor
Banco Totta & Açores London Branch
Banque Bruxelles Lambert S.A.
The Chase Manhattan Bank, N.A.
International Energy Bank Limited
UBAF Bank Limited
Westfalenbank Aktiengesellschaft
Bank of New South Wales
The National Bank of Kuwait S.A.K.
Agent
Midland Bank Limited
June 6th, 1980

This announcement appears as a matter of record only
इंडियन एयरलाइन्स
Indian Airlines
U.S. $30,000,000
Loan Facility
Guaranteed by
The Republic of India
Managed by
Midland Bank Limited
State Bank of India
Provided by
Midland Bank Limited
State Bank of India
The Chase Manhattan Bank, N.A.
Crédit Lyonnais (Singapore)
The National Commercial Bank (Saudi Arabia)
Toronto Dominion Bank
UBAF Bank Limited
Agent
Midland Bank Limited

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, June 11, 1980. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	44.00
Albania	Lek	4.3218
Algeria	Dinar	3.8325
Andorra	French Franc	4.1105
	Spanish Peseta	69.925
Angola	Kwanza	27.627
Antigua	E. Caribbean $	2.7025
Argentina	Argentine. Peso	1822.00
Australia	Australian $	0.8734
Austria	Schilling	12.585
Azores	Portug. Escudo	48.95
Bahamas	Bahamian $	1.00
Bahrain	Dinar	0.3778
Balearic Isles	Spanish Peseta	69.925
Bangladesh	Taka	14.7606
Barbados	Barbados $	2.01
Belgium	B. Franc (C)	28.292
	B. Franc (F)	28.605
Belize	Belize $	2.00
Benin	C.F.A. Franc	205.525
Bermuda	Bda $	1.00
Bhutan	Indian Rupee	7.8555
Bolivia	Bolivian Peso	25.00
Botswana	Pula	0.791
Brazil	Cruzeiro	50.71
Brit. Virgin Isles	U.S. $	1.00
Brunei	Brunei $	2.132
Bulgaria	Lev	0.879
Burma	Kyat	6.7271
Burundi	Burundi Franc	90.00
Cameroun Repub'c	C.F.A. Franc	205.525
Canada	Canadian $	1.1486
Canary Islands	Spanish Peseta	69.925
Cape Verde Isle	Cape V. Escudo	35.51
Cayman Islands	Cay. Is. $	0.835
Cent. Af. Rep.	C.F.A. Franc	205.525
Chad	C.F.A. Franc	205.525
Chile	Chilean Peso (O)	39.00
China	Renminbi Yuan	1.4907
Colombia	Col. Peso (O)	46.78
Comoros Islands	C.F.A. Franc	205.525
Congo (Brazaville)	C.F.A. Franc	205.525
Costa Rica	Colon	8.57
Cuba	Cuban Peso	0.707
Cyprus	Cyprus Pound	0.3529
Czechoslovakia	Koruna (O)	5.50
Dem.Rep. S'oTome & Principe	S. Tome Dobra	34.2273
Denmark	Danish Krone	5.4785
Djibouti, Rp. of	Djibouti Franc	172.015
Dominica	E. Caribbean $	2.7025
Dominican Repub.	Domin'cn Peso	1.00
Ecuador	Sucre	28.10
Egypt	Pound (3)	0.6945
El Salvador	Colon	2.50
Equatorial Guinea	Ekuele	69.925
Ethiopia	Birr (O)	2.0655
Faroe Islands	Danish Krone	5.4785
Falkland Islands	Falkland Is. £ *	2.337
Fiji Islands	Fiji $	0.8111
Finland	Markka	3.546
France	French Franc	4.1105
French C'tyIn Af.	C.F.A. Franc	205.525
French Guiana	Local Franc	4.1105
French Pacific Is.	C.F.P. Franc	74.8823
Gabon	C.F.A. Franc	205.525
Gambia	Dalasi	1.7116
Germany (East)	Ostmark (O)	1.7625
Germany (West)	Deutschemark	1.7625
Ghana	Cedi	2.75
Gibraltar	Pound *	2.337
Gilbert Is.	Aust. $	0.8734
Greece	Drachma	42.80
Greenland	Danish Krone	5.4785
Grenada	E. Caribbean $	2.7025
Guadaloupe	Local Franc	4.1105
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	33.2816
Guinea Republic	Syli	18.672
Guyana	Guyanese $	2.5647
Haiti	Gourde	5.00
Honduras Repub	Lempira	2.00
Hong Kong	H.K. $	4.93
Hungary	Forint (O)	32.6022
Iceland	I. Krona	429.70
India	Ind. Rupee	7.8555
Indonesia	Rupiah	625.00
Iran	Rial	74.00
Iraq	Iraq Dinar	0.2953
Irish Republic	Irish Punt *	2.1087
Israel	Israeli Pound (4)	47.45
Italy	Lira	832.65
Ivory Coast	C.F.A. Franc	205.525
Jamaica	Jamaican Dollar	1.7835
Japan	Yen	216.65
Jordan	Jordan Dinar	0.2945
Kampuchea	Riel	n.a.
Kenya	Kenya Shilling	7.3069
Korea (Nth)	Won	0.94
Korea (Sth)	Won	583.00
Kuwait	Kuwait Dinar	0.2675
Lao P'pls D. Rep	Kip of Lib.	400.00
Lebanon	Lebanese Pound	3.3912
Lesotho	Loti	0.7751
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.2961
Liechtenstein	Swiss Franc	1.6247
Luxembourg	Lux Franc	28.292
Macao	Pataca	5.305
Madagascar D. R.	MG Franc	205.525
Madeira	Portugese Escudo	48.95
Malawi	Kwacha	0.8125
Malaysia	Ringgit	2.153
Maldive Islands	Mal Rupee	3.93
Mali Republic	Mali Franc	411.05
Malta	Maltese Pound	0.3432
Martinique	Local Franc	4.1105
Mauritania	Ouguiya	41.105
Mauritius	M. Rupee	7.564
Mexico	Mexican Peso	22.87
Miquelon	French Franc	4.1105
Monaco	French Franc	4.1105
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	3.8702
Mozambique	Moz. Escudo	27.8776
Namibia	Rand	0.7751
Nauru Is.	Aust. $	0.8734
Nepal	Nepalese Rupee	12.00
Netherlands	Dutch Guilder	1.9343
NetherlandAntilles	Antillian Guild	1.80
New Hebrides	Aust. $	0.8734
	FNH	66.427
New Zealand	NZ $	1.0165
Nicaragua	Cordoba	10.00
Niger Republic	C.F.A. Franc	205.525
Nigeria	Naira (O)	0.5803
Norway	Norwg. Krone	4.845
Oman, Sultanate of	Rial Omani	0.3456
Pakistan	Pkst. Rupee	9.91
Panama	Balboa	1.00
Papua N. Guinea	Kina	0.67
Paraguay	Guarani	137.30
Peoples D. Repub. of Yemen	S. Yemen Dinar	0.3415
Peru	Sol	270.25
Philippines	Ph. Peso	7.5035
Pitcairn Islands	NZ $	1.0165
Poland	Zloty (O)	31.00
Portugal	Port. Escudo	48.95
Port Timor	Timor Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	3.678
Reunion Ile de la	French Franc	4.1105
Romania	Leu	4.47
Rwanda	Rwanda Franc	92.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Sterling *	2.337
St. Lucia	E. Caribbean $	2.7025
St. Pierre	Fr Franc	4.1105
St. Vincent	E. Caribbean $	2.7025
Samoa American	U.S $	1.00
San Marino	Italian Lira	832.65
Saudi Arabia	Saudi Riyal	3.3287
Senegal	C. F. A. Franc	205.525
Seychelles	S. Rupee.	6.7059
Sierra Leone	Leone.	0.8558
Singapore	Singapore $.	2.132
Solomon Islands	S.I. $	0.8734
Somali Republic	Som. Shilling	6.0241
South Africa	Rand	0.7751
Spain	Peseta.	69.925
Spanish ports in North Africa	Sp. Peseta.	69.925
Sri Lanka	S. L. Rupee	15.90
Sudan Republic	Pound (2)	0.50
Sudan Republic	Pound (1)	0.80
Surinam	S. Guilder	1.80
Swaziland	Lilangeni	0.7751
Sweden	S. Krona.	4.1635
Switzerland	Swiss Franc.	1.6247
Syria	Syria Pound.	3.9262
Taiwan	New Taiwan (O).	36.00
Tanzania	Tan. Shilling.	8.2893
Thailand	Baht.	20.50
Togo Republic	C.F.A. Franc	205.525
Tonga Islands	Pa'anga	0.8734
Trinidad & Tob.	Trin. & Tob. $	2.4063
Tunisia	Tunisian Dinar	0.4131
Turkey	Lira.	74.43
Turks & Caicos	U.S. $	1.00
Tuvalu	Australian $	0.8734
Uganda	Ug. Shilling	7.3069
United Arab Emir.	UAE Dirham	3.701
United Kingdom	£ Sterling *	2.337
Upper Volta	C.F.A. Franc	205.525
Uruguay	Urug. Peso (m)	8.90
U.S.S.R.	Rouble	0.6435
Vatican	Italian Lira	832.65
Venezuela	Bolivar	4.2937
Vietnam N.	Dong (O)	2.18
Virgin Islands U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.8943
Yemen	Rial	4.57
Yugoslavia	New Y. Dinar	27.32
Zaire Republic	Zaire Zaire	1.9786
Zambia	Kwacha	0.7748
Zimbabwe	Zim $	0.6935

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.
(1) Sudan—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports.
(3) Egypt—A different rate applies to certain transactions with non-IMF countries.
(4) Israeli Government are changing their currency to Shekels. However dealers are currently quoting in pounds.
(5) Iranian Rial is now fixed at 92.3 per SDR effective 22/5/80. Mkt. rate 74.00.

Superfos a/s

Vedbaek-Denmark

U.S. $ 35,000,000

Ten Year Loan

CREDIT LYONNAIS

BANK OF MONTREAL

CHEMICAL BANK

DEN DANSKE BANK AF 1871 AKTIESELSKAB

PRIVATBANKEN A/S

SCANDINAVIAN BANK LIMITED

SOCIETE GENERALE DE BANQUE S.A.

Agent

CRÉDIT LYONNAIS

Mai, 1980

Companies and Markets

CURRENCIES, MONEY and GOLD

$ & £ soft

The dollar was slightly weaker in dull foreign exchange trading yesterday. Sterling had a generally softish undertone but finished unchanged at 73.7 on a trade-weighted basis, according to the Bank of England, after opening at 74.0 but declining to 73.7 at noon. There was no sustained selling of the pound, but the market lacked buying interest. Sterling fell quite sharply at one time in the morning, touching a low of $2.3330-2.3340, after a peak of $2.3460-2.3470. The reason for the fall appeared to centre on fears of a cut in Bank of England Minimum Lending Rate which proved to be groundless, but the general lack of buying probably reflects expectations of a cut in MLR in the near future. The pound quickly recovered however and closed at $2.3390-2.3400, a rise of 50 points on the day.

Further cuts in U.S. banks prime lending rates depressed the dollar. The U.S. currency's trade-weighted index, as calculated by the Bank of England, fell to 83.3 from 83.4.

The dollar fell to DM 1.7625 from DM 1.7645 against the D-mark; to SwFr 1.6250 from SwFr 1.6285 against the Swiss franc; and to Y216.75 from Y217.50 in terms of the Japanese yen.

D-MARK—Showing renewed strength against the dollar and steady within the European Monetary System, following firmer rates in Frankfurt, and lower U.S. interest rates—The D-mark lost ground against most major currencies at the Frankfurt fixing, although the Swiss franc eased to DM 1.0830 from DM 1.0862. The dollar rose to DM 1.7646 from DM 1.7635 without any intervention by the Bundesbank at the fixing or on on the open market. Sterling improved to DM 4.1240 from DM 4.1190, but eased slightly from the early morning level of DM 4.1330. Within the EMS the French franc rose to DM 42.9250 per 100 gfrancs from DM 42.90; the Dutch guilder to DM 91.18 per 100 guilder from DM 91.13; the Belgian franc to DM 6.2470 per 100 francs from DM 6.2300; and the Italian lira to DM 2.1180 per 1,000 lira from DM 2.1170.

ITALIAN LIRA — Weakest member of EMS, after rising to the top of the system in February, and remaining firm for most of last year—The lira was firmer against other members of the EMS at the Milan fixing, but declined against the dollar and sterling. The D-mark was fixed at L472.23 compared with L472.47; the French franc at L202.73 compared with L202.74; the Danish krone at L151.72 against L152.05; and the Dutch guilder at /430.44 against £430.48. Outside the EMS the dollar rose to L833.05 from L832.80 and sterling to L1,947.30 from L1,946.80, but the Swiss franc fell to L510.80 from Y513.02.

BELGIAN FRANC—Remaining firm within EMS despite easing of interest rates by Belgian authorities—The Belgian franc improved against the dollar, sterling, Swiss franc and members of the EMS at the Brussels fixing. The dollar fell to BFr 28.2550 from BFr 28.30; sterling to BFr 66.1125 from BFr 66.1350; and the Swiss franc to BFr 17.3450 from BFr 17.4290. The D-mark fell to BFr 16.01525 from BFr 16.0525, and the French franc to BFr 6.8750 from BFr 6.88175.

JAPANESE YEN—Energy and balance of payments problems reflected in sharp decline last year. More recently lower U.S. interest rates have helped the yen recover—Fears of poltical instability following the death of the Japanese Prime Minister depressed the yen in heavy foreign exchange trading. The dollar rose to Y218.175 from Y217.675, after opening at Y218.50.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.2451	+1.14	+0.55	±1.53
Danish Krone	7.08592	7.81698	+1.21	+0.62	±1.635
German D-Mark	2.51064	2.51379	+1.28	+0.69	±1.1325
French Franc	5.79831	5.85568	+0.17	−0.42	±1.35
Dutch Guilder	2.72077	2.75794	+0.52	−0.07	±1.5075
Irish Punt	0.662638	0.675235	+1.05	+0.46	±1.665
Italian Lira	1148.15	1185.86	+2.42	+2.34	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

June 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3330-2.3470	2.3390-2.3400	1.72-1.62c pm	8.57	4.45-4.35 pm	[illegible]
Canada	2.6950-2.6960	2.6860-2.6870	1.13-1.03c pm	4.82	3.32-3.22 pm	[illegible]
Nethlnd.	4.51-4.55	4.52¼-4.53¼	3-2c pm	6.63	7¼-6¼ pm	[illegible]
Belgium	65.95-66.40	66.05-66.15	15-5c pm	1.82	42-32 pm	[illegible]
Denmark	12.81-12.87	12.83½-12.84½	1½-3ore dis	−1.99	6¾-8¼ dis	[illegible]
Ireland	1.1050-1.1110	1.1055-1.1065	0.03pdis-0.02pm	−0.11	0.20-0.15 pm	[illegible]
W. Ger.	4.11½-4.15½	4.12-4.13	3¼-2¼pf pm	8.00	8¼-7¼pm	[illegible]
Portugal	114.00-115.00	114.15-114.35	10c pm-20c dis	1.05	55pm-45 dis	[illegible]
Spain	163.50-164.25	163.90-164.00	5c pm-50c dis	1.66	10pm-100dis	[illegible]
Italy	1946-1956	1948-1949	¼lire pm-1¼dis	0.62	7¼-5¼ dis	[illegible]
Norway	11.32-11.39	11.33¼-11.34¼	8¼-8¼ore pm	8.13	19¼-18¼ pm	[illegible]
France	9.60-9.65	9.61¼-9.62¼	4¼-3¼c pm	5.30	10¼-9¼ pm	[illegible]
Sweden	9.71½-9.77½	9.72-9.73	3½-2¼ore pm	3.55	5¼-5 pm	[illegible]
Japan	505-516	506½-507½	2.15-1.80y pm	4.67	6.95-6.50 pm	[illegible]
Austria	29.32-29.55	29.35-29.40	20-18gro pm	7.35	52-45 pm	[illegible]
Switz.	3.79½-3.83½	3.79¾-3.80¾	3¼-2¼c pm	9.07	10¼-9¼ pm	[illegible]

Belgian rate is for convertible francs. Financial franc 66.85-66.95. Six-month forward dollar 6.90-6.80c pm. 12-month 10.20-10.10c pm.

THE DOLLAR SPOT AND FORWARD

June 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3330-2.3470	2.3390-2.3400	1.72-1.62c pm	8.57	4.45-4.35 pm	[illegible]
Ireland†	2.1085-2.1100	2.1090-2.1100	1.55-1.45c pm	+8.54	4.45-4.35pm	[illegible]
Canada	1.1473-1.1483	1.1478-1.1481	0.47-0.52c dis	−5.17	0.81-0.86 dis	[illegible]
Nethlnd.	1.9340-1.9380	1.9350-1.9365	0.28-0.38c dis	−2.04	0.73-0.83 dis	[illegible]
Belgium	28.24-28.27	28.25-28.27	13-15c dis	−5.94	33-38 dis	[illegible]
Denmark	5.4820-5.4865	5.4820-5.4835	4.30-4.80oredis	−9.96	13½-14½dis	[illegible]
W. Ger.	1.7610-1.7670	1.7620-1.7630	0.05-0.15pfdis	−0.68	par-0.10 dis	[illegible]
Portugal	48.80-48.95	48.83-48.93	32-42c dis	−9.08	78-110 dis	[illegible]
Spain	70.12-70.20	70.15-70.19	45-60c dis	−8.98	135-155 dis	[illegible]
Italy	832.50-833.40	832.50-833.00	1.3-1.4liredis	−10.45	19.0-20.0 dis	[illegible]
Norway	4.8475-4.8525	4.8505-4.8525	0.1orepm-0.4dis	−1.83	0.75-1.25 dis	[illegible]
France	4.1065-4.1135	4.1120-4.1135	1.12-1.22c dis	−3.41	3.25-3.40dis	[illegible]
Sweden	4.1605-4.1627	4.1617-4.1627	1.85-1.95oredis	−5.47	5.20-5.35dis	[illegible]
Japan	216.40-218.50	216.70-216.80	0.65-0.85y dis	−4.15	0.95-1.15 is	[illegible]
Austria	12.54-12.58	12.55-12.56	0.85-1.45grodis	−1.10	1.75-3.55dis	[illegible]
Switz.	1.6225-1.6320	1.6245-1.6255	0.44-0.37c pm	2.99	1.54-1.47 pm	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

June 12	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.7	−32.2
U.S. dollar	83.3	−10.4
Canadian dollar	81.7	−15.9
Austrian schilling	156.3	+24.1
Belgian franc	115.9	+14.2
Danish kroner	107.2	−4.2
Deutsche mark	155.7	+44.5
Swiss franc	198.4	+80.1
Guilder	125.7	+19.8
French franc	101.3	−5.9
Lira	53.4	−51.0
Yen	130.8	+38.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

June 11	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.565950	0.610178
U.S. $	12	1.32189	1.42446
Canadian $	11.83	1.51594	1.63622
Austria Sch.	6¾	16.6135	17.8912
Belgian F.	14	37.4095	40.2621
Danish K.	13	7.25387	7.80175
D'Mark	7½	2.33115	2.51245
Guilder	10	2.55786	2.75661
French Fr.	9½	5.43330	5.85457
Lira	15	1100.80	1186.29
Yen	9	286.850	308.781
Norwgn. Kr.	9	6.41117	6.89651
Spanish Pts.	8	92.5548	99.7405
Swedish Kr.	10	5.49919	5.92930
Swiss Fr.	3	2.14569	2.31450

OTHER CURRENCIES

June 12	£	$		£ Note Rates
Argentina Peso	4276-4296	1831-1838	Austria	29.15-29.45
Australia Dollar	2.0210-2.0230	0.8652-0.8656	Belgium	66.35-66.95
Brazil Cruzeiro	118.21-119.21	50.61-50.81	Denmark	12.75-12.85
Finland Markka	8.5095-8.5179	3.6410-3.6450	France	9.55-9.61
Greek Drachma	99.909-102.232	42.80-43.00	Germany	4.11-4.14
Hong Kong Dollar	11.46-11.46	4.9070-4.9090	Italy	1910-1975
Iran Rial	n/a	n a	Japan	509-514
Kuwait Dinar(KD)	0.624-0.630	0.2670-0.2700	Netherlands	4.51-4.54
Luxembourg Frc.	66.05-66.15	28.25-28.27	Norway	11.29-11.38
Malaysia Dollar	4.990-5.003	2.1365-2.1385	Portugal	110-115.5
New Zealand Dlr.	2.3590-2.3610	0.9895-0.9905	Spain	158.75-165.25
Saudi Arab. Riyal	7.77-7.83	3.3280-3.3310	Sweden	9.69-9.77
Singapore Dollar	4.9525-4.9645	2.1210-2.1230	Switzerland	3.79-3.82
Sth. African Rand	1.8139-1.8145	0.7752-0.7758	United States	2.3300-2.3390
U A.E. Dirham	8.65-8.71	3.7000-3.7030	Yugoslavia	61.00-66.50

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

June 12	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.340	4.125	507.0	9.618	3.803	4.528	1949	2.687	66.10
U.S. Dollar	0.427	1.	1.763	216.7	4.111	1.625	1.936	832.9	1.148	28.25
Deutschemark	0.242	0.567	1.	122.9	2.332	0.922	1.098	472.4	0.651	16.02
Japanese Yen 1,000	1.972	4.614	8.136	1000.	18.97	7.500	8.930	3843.	5.299	130.4
French Franc 10	1.040	2.433	4.289	527.2	10.	3.954	4.708	2026.	2.793	68.73
Swiss Franc	0.263	0.615	1.085	133.3	2.528	1.	1.191	512.4	0.707	17.38
Dutch Guilder	0.221	0.517	0.911	112.0	2.124	0.840	1.	430.4	0.593	14.60
Italian Lira, 1,000	0.513	1.201	2.117	260.2	4.936	1.952	2.324	1000.	1.379	33.92
Canadian Dollar	0.372	0.871	1.535	188.7	3.580	1.416	1.685	725.3	1.	24.60
Belgian Franc 100	1.513	3.539	6.241	767.0	14.55	5.753	6.849	2948.	4.064	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 12)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 1/16	offer 9 3/16	bid 9⅛	offer 9¼

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

June 12	Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17¼-17½	8⅜-8⅝	13-15	11-11¼	2¼-2½	9⅛-9⅜	12¼-12½	14-17	8⅛-8⅜	14-15
7 days' notice	19-19¼	8½-8¾	13-15	11-11¼	2⅝-3⅛	9½ 9⅝	12⅜-12½	17-18½	8½-8¾	13¾-14
Month	17⅝-17⅞	8⅞ 9⅛	12-12⅜	10⅞-11⅛	5⅝-5¾	9½-9⅝	12⅜-12½	16½-18	9 1/16-9 3/16	12⅝-13
Three months	16⅝-16⅞	9-9¼	11⅛-11½	10¾-11	5 3/16-5 7/16	9¼-9⅜	12⅜-12½	17¼-18	9¼-9⅜	11⅜-11½
Six months	15⅜-15⅝	9⅛-9⅜	10½-11⅞	10⅜-10⅝	5½-5⅝	8⅞-9	12⅜-12½	17½-18	9¼-9⅜	10¼-10⅞
One year	14⅛-14⅜	9 7/16-9 11/16	10¼-10⅝	10⅛ 10⅜	5⅛-5⅜	9 1/16-9⅛	12⅜-12½	18-19	9 5/16-9 7/16	8⅞-9⅛

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.60-8.70 per cent; three-months 8.65-8.75 per cent; six-months 8.65-8.75 per cent; one year 8.75-8.85 per cent.

Long-term Eurodollar two years 10⅛-10⅜ per cent; three years 10½-10¾ per cent; four years 10⅝-10⅞ per cent; five years 10¾-11 per cent; nominal closing rate. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Europe rates steady

Interest rates showed little overall change in Europe yesterday, with Paris call money unchanged at 12⅜ per cent and Frankfurt call money quoted at 9.70 per cent, against 9.95 per cent on Wednesday. In Denmark the Central Bank increased the ceiling on bank advances for commercial and savings banks to DKr 128.75bn, a rise of 3 per cent, with the rise reflecting the increased credit demand. Banks are required to pay a penalty as their credit ceilings are breached, in the form of non-interest bearing deposits with the Central Bank. Credit ceilings were last increased in December, 1979.

In Paris the Bank of France bought FFr 2bn of first category paper from the market yesterday at an unchanged rate of 12¼ per cent, with maturities dates between June 21-25. In order to meet market requirements for further credit, the Bank has offered to buy paper with maturity dates between June 26 and June 30.

In Amsterdam interbank money money rates were slightly easier in places. While call money remained at 11½ per cent, one-month money was easier at 10⅞ per cent, against 11 per cent and the three-month rate eased to 10 13/16 per cent from 10 15/16 per cent.

In Singapore, Algemene Bank Nederland reduced its prime rate to 11¾ per cent from 12¼ per cent in line with a general easing of interbank rates.

UK MONEY MARKET

Very large help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The unwinding of a £500m sale and repurchase agreement was the main factor behind yesterday's shortage of funds in the London money market, and the authorities gave assistance by buying a large number of Treasury bills and a small amount of local authority bills, both from banks and discount houses. Total help was termed as very large. The market was also faced with a small net take up of Treasury bills to finance and a small number of local authority bills maturing in official hands.

Discount houses were paying up to 16¾ per cent for secured call loans at the start with later balances taken as low as 15 per cent. In the interbank market overnight loans opened at 16¾-16⅞ per cent and rose to 17⅝-17¾ per cent before coming back to a low of 15¼-15¾ per cent. Late balances were taken at 16-17 per cent.

Rates in the table below are nominal in some cases.

GOLD

Further fall

Gold fell $11 to close at $589-593 after an active day in the London bullion market. The metal also opened at $589-593, and was fixed at $588.75 in the morning, and $590.00 in the afternoon. Trading was generally cautious following the recent fall in the price, and gold touched a low of $581-583 and a peak of $595-597.

In Paris the 12½-kilo bar was fixed at FFr 78,000 per kilo ($590.13 per ounce) in the afternoon, compared with FFr 78,990 ($597.77) in the morning, and FFr 79,100 ($598.56) Wednesday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 33,250 per kilo ($590-05 per ounce), compared with DM 33,850 ($597.04) previously, and finished at $586-590, compared with $598-602.

In Zurich gold closed at $585-590, against $601-606 previously.

	June 12		June 11	
Gold Bullion (fine ounce)				
Close	$589-593	(£252-254)	$600-604	(£257-259)
Opening	$589-593	(£251-253)	$587-591	(£251¼-253¼)
Morning fixing	$588.75	(£251.253)	$595.00	(£254.687)
Afternoon fixing	$590.00	(£251.814)	$595.00	(£255.465)
Gold Coins				
Krugerrand	$608-611	(£260-263)	$620½-624	(£265-267½)
Mapleleaf	$603-608	(£258-261)	$615-620	(£262½-265½)
New Sovereigns	$150-151	(£64-65)	$152-153½	(£65-66)
King Sovs	$180-183	(£77-79)	$180-183	(£77-79)
Victoria Sovs	$180-183	(£77-79)	$180-183	(£77-79)
French 20s	$153½-155½		$155-158	
50 pesos Mexico	$732-737		$744-749	
100 Cor. Austria	$575-580		$586-592	
$20 Eagles	$682-686		$683-687	
$10 Eagles	—		—	
$5 Eagles	—		—	

MONEY RATES

NEW YORK

Prime Rate	12-13
Fed. Funds	8¾-9
Treasury Bills (13-week)	6.26
Treasury Bills (26-week)	6.92

GERMANY

Discount Rate	7.5
Overnight Rate	9.70
One month	9.975
Three months	10.125
Six months	9.85

FRANCE

Discount Rate	9.5
Overnight Rate	12.375
One month	12.375
Three months	12.3125
Six months	12.0625

JAPAN

Discount Rate	9.0
Call (Unconditional)	12.8125
Bills Discount (three-month)	13.6875

LONDON MONEY RATES

June 12 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Over night	—	15¼-17¼	—	—	—	—	—	—	—	—
2 days notice	—	—	16¾	—	—	16¾	15-16¾	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16¾-17	16⅞	—	—	—	—	—	—	—
One month	17 1/16-16 15/16	16 15/16-17 1/16	16⅞-17	17¾-18	17⅛	17¾	16½-16¾	—	—	—
Two months	17⅛-16⅝	16¾-16⅞	—	17¼-17⅝	17¼	17½	16½-16⅝	16⅛	17¼-17⅜	17¾
Three months	17-16⅞	16½-16⅝	16⅝	16 15/16-17 1/16	17⅛	—	16¼-16⅜	15⅞-15⅞	16⅞-16⅞	17⅝
Six months	15 11/16-15¼	15⅝-15½	15¼	16¼-16⅝	16⅞	17¼	16-16⅛	15¾	16⅞-16¾	16¾
Nine months	14½-14⅝	14½-14⅝	—	15¼-15⅝	16¾	16⅝	—	—	14¾	15¼
One Year	14 3/16-14	14 1/16-14 3/16	14⅝	14½-14⅞	14¾	16¼	—	—	—	—
Two years	—	—	14¼	—	14½	15¼	—	—	—	—

Local-authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 14½ per cent; four years 14⅛ per cent; five years 14 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15¾ per cent; four-month trade bills 16⅞ per cent.

Approximate selling rate for one-month Treasury bills 15⅝-15¾ per cent; two-month 15 27/32-15⅞ per cent. Approximate selling rates for one-month bank bills 17⅛-17¼ per cent; two-month 15 27/32-15⅞ per cent; three-months 16 9/16-16 7/32 per cent; one-month trade bills 17½ per cent; two-months 16 29/32-16⅞ per cent; and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17½ per cent from June 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.9506 per cent.

هكذا من الأصل

WORLD STOCK MARKETS

Early profit-taking on Wall St.

AFTER MODESTLY extending Wednesday's advance, Wall Street turned easier on profit-taking to leave prices lower for choice on balance at mid-session. Trading was extremely active.

The Dow Jones Industrial Average, 2.73 higher at 11 am, was a net 3.67 down at 869.03 at 1 pm. The NYSE All Common Index lost 44 cents to $65.73, while falls led gains by a four-to-three ratio at mid-session. Turnover increased to 35.11m shares from Wednesday's 1 pm level of 30.93m.

Analysts said investors were taking profits after the market's long advance, *especially* in Oils, which have risen sharply this week.

They also noted some disappointment *that Citibank* only cut its prime rate to 12½ per cent from 13 per cent even though First Boston cut its rate to 12 per cent on Wednesday.

However, they said the prime should be much lower based on banks' costs of funds, and that the Citibank move, followed by some others, was probably not too significant.

Among Oils, active **Exxon** *lost* 1¼ to $67½, **Standard Oil of California** ⅜ to $78¾ and active **Texaco** ⅜ to $37½. Active **Occidental Petroleum** shed ¼ to $26⅞, **Superior Oil** 2¼ to $159¾, **Standard Oil (Ohio)** 1¼ to $101¼ and **Standard Oil (Indiana)** 1⅛ to $58.

Ford Motor declined ⅜ to $23⅞. It faces a possible record recall of 16m cars and trucks for alleged transmission defects. Active **General Motors**, however, put on ⅛ to $46½

Gaming shares advanced. **Bally Manufacturing** rose $1¾ to $26½, **Caesars World** $1 to $15½ and **Playboy** $⅞ to $14⅞.

THE AMERICAN SE Market Value Index retreated 2.89 to 286.03 at 1 pm. Value 3.82m shares (3.93m).

Closing prices for North America were not available for this edition.

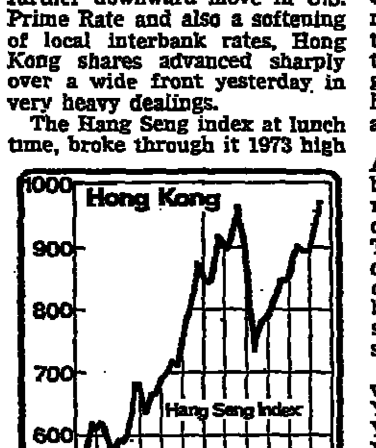
Canada

Shares tended to improve further yesterday morning although trading was much quieter. The Toronto Composite Index added 9.0 to 2,049.2 at midday. Golds put on 29.6 to 3,636.8, *Oil and Gas* 10.1 to 4,595.0 and Banks 1.57 to 361.33.

Hong Kong

Responding to Wednesday's further downward move in U.S. Prime Rate and also a softening of local interbank rates, Hong Kong shares advanced sharply over a wide front yesterday in very heavy dealings.

The Hang Seng index at lunch time, broke through it 1973 high



of 963.17, reached on February 15 this year. Dealers said this is a critical chartist point. The market continued to surge ahead *in hectic afternoon trading, in* which volume exceeded HK$26m *in one hour, taking the index to* a closing level of 971.30, up 19.31 on the day. Turnover on the Hong Kong S.E. expanded to *HK$57.18m*

Cheung Kong rose 30 cents to HK$14.40, Hong Kong Bank 20 cents to HK$15.60, Hong Kong Land 30 cents to HK$11.90, Jardine Matheson 40 cents to HK$15.50 and Hongkong Wharf HK$3.00 to HK$68.50. Htuchison Whampoa, which declared an increased interim dividend on its Preference stock, put on 20 cents to HK$8.60.

Hongkong Telephone moved ahead 70 cents to HK$25.50, World International 12.5 cents to HK$3.175, Orient Overseas 25 cents to HK$3.725 and China Light 30 cents to HK$21.70.

Tokyo

The market fell sharply in early trading on news of Prime Minister Masayoshi Ohira's *death. However, trading* was only moderate and shares recovered a *good deal late in* the session, with some speculatives and Blue Chips posting net gains, on market thoughts that his death might not seriously affect the domestic economy.

The Nikkei-Dow Jones Average,, which had fallen 59.58 by the morning close, later rallied to end a modest 11.29 down on balance at 6,814.72. The Tokyo SE index was a net 0.57 off at 465.86, while declines outnumebered gains at the close by 347 to 257 on the First Market section after volume of 240m shares (270m).

Oils remained out of favour, with **Nippon Oil** losing Y60 to Y1,930, **Teikoku Oil** Y40 to Y1,310, **Arabian Oil** Y30 to Y3,150 and **Toa Nenryo** Y12 to Y889. **Mitsubishi** were down Y6 *at Y665 in Trading Houses, but* **Mitsui** gained Y3 to Y358.

Among the *subsequently* firmer Blue Chips were some *high-priced* Light Electricals. **Matsushita Electric** added Y7 at Y667, *Nippon Victor Y40* at Y1,630 and **Matsushita Communications** Y20 at Y1,620.

Yamaha Motor rose Y20 to Y860, **Olympus** Y11 to Y830 and **Sapporo** Y19 to Y280.

Australia

After the recent setback on profit-taking, markets attracted renewed overseas interest yesterday, but lower overnight metal prices and reports of a world oil glut prevented a full-scale rally.

Gold leaders were generally weaker in line with the Bullion price, with **Central Norseman** receding 36 cents fore to A$8.40. However, among the smaller speculatives, the three partners in the North Queensland Bimurra gold prospect forged ahead in active trading on news that a fram-in arrangement had been negotiated with Esso. **Samantha Exploration** jumped 55 cents to A$2.75, **Samson** 25 cents to *A$1.75* and **Buka Minerals** 15 cents to 50 cents.

Among Mining Heavyweights attracting renewed support, **Renison Tin** rose 20 cents to A$18.20, **Pancontinental** 30 cents to A$7.00 and **Bougainville** 10 cents to A$2.50.

Oils picked up well initially, but ended generally easier on balance on fresh profit-taking.

Industrials put on a firmer performance, **News** featuring with an advance of 55 cents to A$2.80 in response to the reorganisation proposals which would give the company full control of the London-based News International.

Germany

With sentiment aided by the overnight Wall Street rise and a firm Domestic Bond market, shares mainly improved in lively trading. *The Commerzbank* Index gained 5.3 to 708.8.

A report from **Karstadt** *of* lower 1979 profits and its out-*look for stagnant* German private consumption sent stores down *initially but most ended higher* on the day. **Karstadt** were finally *only* DM 0.20 down at DM 230.00.

Domestic Bond prices gained about 40 pfennigs as the new Federal Government loan came to the secondary market at the issue price of DM 100.25. The Bundesbank sold a net DM 24.7m of paper after DM 4.1m sales on Wednesday.

Johannesburg

Gold shares finished mixed with an easier bias after moderate activity.

General Mining featured in Mining Financials with a 200 cents rise to R24.25 following news that its Beatrix subsidiary plans to open a new gold mine. **De Beers**, in contrast, shed 10 cents to R10.50.

NEW YORK

Stock	June 11	June 10
[illegible]	[illegible]	[illegible]

CANADA

Stock	June 11	June 10
Abitibi	19⅛	19⅜
Agnico Eagle	15⅝	13¾
Alcan Alumn.	32¼	32
Algoma Steel	30¾	31
Asbestos	34	34
Bk Montreal	27¼	27¾
Bk Nova Scotia	29¾	29⅞
Basic Resources	13	12¼
Bell Canada	20⅝	20⅝
Bow Valley	17½	17
BP Canada	45¾	42¾
[illegible]	[illegible]	[illegible]

BELGIUM (continued)

June 12	Price Frs.	+ or −
Petrofina	5,270	+30
Royale Belge	5,580	....
Soc Gen Banq	2,450	−35
Soc Gen Belge	1,510	+10
Sofina	3,270	−35
Solvay	2,725	....
Traction Elect.	2,515	−20
UCB	1,360	−20
Union Miniere	748	−10
Vieille Mont	[illegible]	[illegible]

DENMARK

June 12	Price Kroner	+ or −
[illegible]	[illegible]	[illegible]

FRANCE

June 12	Price Frs.	+ or −
[illegible]	[illegible]	[illegible]

GERMANY

June 12	Price Dm.	+ or −
[illegible]	[illegible]	[illegible]

HOLLAND

June 12	Price Fls.	+ or −
ACF Holding	71.8	−1.2
Ahold	67xd	−0.5
AKZO	24	....
ABN	286.5	−0.5
AMEV	86.5	+0.4
AMRO	63.4	−0.5
Bredero Cert.	187.5	−1.5
Bos Kalis	90.2	−0.6
[illegible]	[illegible]	[illegible]

ITALY

June 12	Price Lire	+ or −
[illegible]	[illegible]	[illegible]

NORWAY

June 12	Price Kroner	+ or −
[illegible]	[illegible]	[illegible]

SWEDEN

June 12	Price Kroner	+ or −
[illegible]	[illegible]	[illegible]

SWITZERLAND

June 12	Price Frs.	+ or −
[illegible]	[illegible]	[illegible]

AUSTRIA

June 12	Price %	+ or −
[illegible]	[illegible]	[illegible]

BELGIUM/LUXEMBOURG

June 12	Price Frs.	+ or −
[illegible]	[illegible]	[illegible]

AUSTRALIA

June 12	Price Aust. $	+ or −
ANZ Group	4.45	....
Acrow Aust	0.80	....
Allstate Expl.	1.22	−0.18
Ampol Pet.	1.38	+0.05
Assoc. Pulp Pap.	2.35	....
Audimco	0.30	....
Aust Cons Ind.	1.97	+0.01
Aust Guarant.	1.35	....
Aust Nat Inds.	2.50	−0.10
[illegible]	[illegible]	[illegible]

HONG KONG

June 12	Price H.K. $	+ or −
[illegible]	[illegible]	[illegible]

JAPAN

June 12	Price Yen	+ or −
[illegible]	[illegible]	[illegible]

JAPAN (continued)

June 12	Price Yen	+ or −
Kubota	358	−3
Kumagai	350	....
Kyoto Ceramic	3,020	+20
Lion	370	−13
Maeda Cons.	456	+1
Makita	975	....
Marubeni	360	−3
Marudai	589	+10
Marui	560	−5
[illegible]	[illegible]	[illegible]

SINGAPORE

June 12	Price $	+ or −
[illegible]	[illegible]	[illegible]

SOUTH AFRICA

June 12	Price Rand	+ or −
[illegible]	[illegible]	[illegible]

Financial Rand US$0.91¼

(Discount of 29%)

BRAZIL

June 12	Price Cruz	+ or −
[illegible]	[illegible]	[illegible]

Spanish prices, Page 23

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL

[illegible]

TORONTO Composite [illegible]

NEW YORK ACTIVE STOCKS

[illegible]

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

David Fishlock reports on how Europe's scientists are tackling society's new problems

The risks and rewards of research

AN AMERICAN scientist once told his company president how he had solved the problem of making artificial leather, at a cost of several hundred million dollars. "You haven't solved the problem—you've murdered it," said his chief. Even so, they both failed to allow for the fickleness of fashion. Women went for big holes in their shoes and no longer needed the pores science had painstakingly simulated.

That story illustrates two of the features of industrial research—cost and the unpredictability of public response to innovation—that frighten research directors and their chairmen today. There are others, notably some unforeseen facet of the new product or its manufacturing process that the public perceives as a threat to its health, safety or employment prospects.

These pitfalls seem daunting enough to make timid men of the most innovative research directors. But this is not so, as became clear at a recent meeting in Munich of the men responsible for innovation in more than 100 of Europe's research-based companies. One conclusion must be that industrial scientists are not an "endangered species," as for example the Royal Society in Britain is inclined to see them. Another must be that they are proving just as innovative in adapting to the new pressures that society is thrusting upon them.

The European Industrial Research Management Association (EIRMA) is a club of companies that firmly believe they can survive only by continuing to innovate. It includes companies with annual research and development budgets of hundreds of millions of pounds: Siemens, Philips, ICI, Shell, Hoechst, etc. It claims to represent two-thirds or more of Europe's research-based industry; although there are some conspicuous absentees such as Hoffmann-La Roche, the world's biggest spender on drug research.

EIRMA members are trying to reconcile the demands of three sectors whose perception of innovation may be disconcertingly different. These three are their own boards of management, their governments, and the public generally.

To take one example: a truly innovative drug such as Tagamet, a cure for peptic ulcers discovered by Smith, Kline and French in a UK laboratory, can generate tremendous pressures within an industry. Tagamet was introduced in 1976. In 1979 it added over £200m to SKF's turnover. The U.S. investment market coined the term "tagamania" to describe the feverish search for the next "breakthrough" which would transform the balance sheet of a drug company. Research directors have come under great pressure to adopt more widely the new approach which led to Tagamet's discovery.

Dr. Jurg Rutschmann, the "conscience" of Sandoz

But the public attitude towards innovation is less predictable. People seem genuinely excited and stimulated by innovation and discovery. They do not even recognise that there are certain natural limits. As Dr. Jurg Rutschmann of Sandoz says cynically: "95 per cent of people want to believe in perpetual motion."

As the EEC has discovered, people are rather indifferent to innovation in demonstrably dangerous areas of public activity such as road transport; and, as ICI has found, they are dismissive of some efforts to reduce the risks of smoking. Yet public opinion can apparently be roused to fury by levels of risk so slight as to require the exposure of the whole population before any problem begins to appear. Critics of nuclear energy have tried desperately to show that it must be harming someone, somewhere.

Dr. Hans Haunschild, permanent secretary responsible for German government research and technology, admitted in Munich that he had no answer for "the minority with an uncompromisingly negative attitude towards technology and industrialised society." But he urged the research chiefs to be ready and willing to speak freely about the "negative side" of any new development. Industry would thereby enhance its credibility.

The research chiefs could learn a lot from Germany's experience of public reaction to nuclear energy. Innovation was not enough, said Dr. Haunschild. The German public had also to be assured that the invention would save energy and improve the environment.

Six of the biggest European motor companies have just agreed to work together on long-term research

This month the West German Government is applying its experience of public reaction to nuclear innovation in the late-1970s to micro-electronics. By deliberately fostering a public debate on the benefits and risks of silicon chips, it hopes to avoid the damaging hold-ups which have been impeding German nuclear construction. Its aim is to focus public attention from the start on what the Government perceives as real risks, and try to prevent it from being misled by what Dr. Haunschild calls "fabricated problems."

These are problems raised by those whose "intensity of participation is inversely proportional to their knowledge of the subject," says Dr. A. E. Pannenborg, vice-chairman of Philips, the Dutch electronics group. Philips is confident enough of public enthusiasm for innovation to feature research prominently in its TV advertising. Dr. Pannenborg believes that for industrial science a big change took place during the 1970s, with professional pride in innovation reasserting itself, after a period of preoccupation with environment.

Industry has grasped the message that it must either innovate or wither away. But neither the public nor politicians have grasped it yet. Dr. Pannenborg refers wryly to the Dutch Prime Minister who had urged his industry *not* to invest, lest in improving productivity with new technology it should increase unemployment.

For those who believe governments can solve industry's problems—for example, with cash—the views of Dr. Bernhardt Schmidt, a director of Dornier and president-elect of EIRMA, are refreshingly blunt. Government projects in innovation will work only when they support industry's own initiatives, not the initiatives of politicians or civil servants, he says. He also rejects totally suggestions from the German trade union movement that companies should get together at an early stage of innovation to debate the possible consequences of success. Technological assessments "always get it wrong."

Dr. Schmidt runs Dornier System, a high-technology company with 3,500 engineers and scientists, a turnover of £250m and an R and D budget of £100m. Only one-eighth of this budget is company cash, however, for such ideas as a highly promising new way of disintegrating kidney stones with an electric spark. The rest comes from contracts, mostly from government; much of it for projects in energy, the biggest single sector of German Government spending on R and D.

He takes a sharply cynical view, however, of the prospects for some of the energy projects placed with Dornier by his Government. Solar projects, for example, can do no more than briefly postpone the real energy problem, because the solutions are proving so energy-intensive to set up. Hydrogen as a novel fuel would require an immense investment in a new infrastructure for manufacture, transmission and distribution, and would raise big new risks in use.

Where Dr. Schmidt believes that governments could be of considerable assistance to innovation is in reaching international agreement on its use. In transport for example, he finds it incredible that Europe has no advanced railway project designed to cross frontiers as freely as airline operations.

Private companies are pioneering collaboration in one key area of innovation in transport. At the initiative of Professor Umberto Businaro, managing director of research for Fiat, six of the biggest European motor companies have just agreed to work together on long-term research problems which could have a big influence on the performance of cars — especially their fuel consumption — in the 1990s. Examples are much more fundamental studies of combustion in the internal combustion engine, and of vehicle aerodynamics.

The aim would be to develop new research techniques for examining such problems, which each company would then apply as it sees fit. Professor Businaro sees no reason why collaboration should not also extend to manufacturing technology.

Fiat claims the biggest motor industry research effort in Europe, on a par with Ford in the U.S., with 1,000 qualified people employed at its Turin laboratories. Of its partners, Volvo and Volkswagen also have substantial resources; and Renault, Peugeot and British Leyland are all re-organising their R and D into a stronger base. Professor Businaro expects his "club" to have four or five collaborative research projects launched before the end of this year.

Dr. A. E. Pannenborg: *Philips boosts its research*

The pharmaceutical industry has grown strong from basic research of the kind this club is considering for cars. No industry is more alive to the risks as well as the rewards of research. Roche discovered the tranquilliser Librium more by happy accident than planned research in the 1950s and has reinvested heavily in basic drugs research to become the world's biggest spender in the field. Yet it has failed to produce another big success.

In the 1970s it incurred public wrath, first for maintaining what was seen as a high price for its tranquillisers, and then for the accident at Seveso, when a deadly poison leaked from one of its plants.

Sandoz, another of the three big Swiss pharmaceutical groups, aroused public anger after Seveso when a product was found to be contaminated with traces of a poison made—like the dioxin released at Seveso—in the course of manufacture. The experience convinced the chairman of Sandoz that he needed a man on his board responsible for three interlocking areas of company activity: product safety (toxicity), safety of its own workpeople, and its impact upon the environment. Roche and Ciba-Geigy have recently made similar appointments and the three directors have formed an informal "club," meeting regularly to exchange problems. All three companies spend heavily on drug R and D—Ciba-Geigy and Sandoz about 11 per cent of the turnover of their pharmaceutical businesses, Roche as much as 15 per cent.

The Sandoz safety expert is Dr. Jurg Rutschmann, its director of chemical and pharmacological research for 15 years. The qualifications for success, as he sees it, include "an intimate knowledge of all the technologies involved and an *intimate* knowledge of how the company functions." His job is continuously to audit corporate health and safety practice, reporting not to the board but to the chairman himself. His role—"conscience of the company"—is not one calculated to make him popular with many of his fellow directors, as he admits. But Dr. Rutschmann finds that it is exploiting everything he has ever learned in a lifelong career with Sandoz which began with work on its wartime discovery of LSD.

Ebic: The combined experience of seven major international banks of Europe.

Amsterdam-Rotterdam Bank. Netherlands.

Banca Commerciale Italiana. Italy.

Creditanstalt-Bankverein. Austria.

Deutsche Bank. Federal Republic of Germany.

Société Générale de Banque Generale Bankmaatschappij. Belgium.

Société Générale. France.

Midland Bank. Great Britain.

ebic European Banks International

Wherever you are and whatever your financial needs, the chances are we can help you.

Our 7 independent banks can offer you a lot of financial weight and expertise.

We have 10,000 branches, over 200,000 people and our balance sheets, when combined, are in excess of $280 billion.

And that's just in Europe.

World-wide we also have an Ebic network:

In America, European American Bank.

In Asia, European Asian Bank, in Hong Kong, Indonesia, Korea, Malaysia, Pakistan, Singapore, Thailand and The Philippines.

Also specialised financial services are provided by Banque Européenne de Crédit in Brussels and European Banking Company in London.

In the UK Midland Bank is the Ebic shareholder you should talk to.

Finance for business wherever there's business.

NOTICE OF REDEMPTION

To the Holders of

Honda Motor Co., Ltd.

7½% Guaranteed Sinking Fund Debentures Due 1981

NOTICE IS HEREBY GIVEN, that One Million Three Hundred Thirty Three Thousand Dollars ($1,333,000) principal amount of Honda Motor Co., Ltd. 7½% Guaranteed Sinking Fund Debentures Due 1981 and bearing the following serial numbers, have been drawn for redemption for account of the Sinking Fund on July 15, 1980 at the principal amount thereof and accrued interest to that date.

DEBENTURES IN DENOMINATION OF $1,000. EACH

29	1307	2770	4050	5434	6701	8174	10060	11689	13246	14388	15612	16499	17321	18299	19308
35	1335	2792	4063	5448	6717	8194	10064	11703	13255	14419	15624	16509	17330	18304	19314
51	1499	2802	4073	5449	6725	8509	10068	11756	13259	14434	15651	16559	17339	18307	19315
54	1516	2823	4086	5457	6726	8515	10078	11780	13265	14437	15668	16565	17347	18312	19316
100	1529	2850	4099	5473	6744	8517	10091	11782	13271	14445	15672	16640	17353	18344	19321
112	1550	2872	4104	5480	6757	8520	10116	11808	13272	14446	15678	16651	17360	18353	19327
124	1552	2880	4117	5483	6759	8526	10121	11816	13279	14447	15683	16667	17369	18360	19331
132	1560	2887	4124	5501	6764	8539	10123	11822	13280	14448	15690	16674	17393	18372	19337
191	1576	2918	4134	5512	6769	8646	10125	11824	13327	14450	15695	16683	17395	18373	19338
194	1585	2923	4144	5525	6777	8651	10129	11840	13332	14451	15713	16693	17434	18387	19342
201	1586	2925	4150	5543	6794	8665	10131	11855	13356	14454	15714	16701	17436	18398	19350
206	1590	2929	4154	5546	6811	8667	10145	11874	13371	14463	15756	16707	17453	18406	19538
217	1600	2931	4155	5554	6816	8672	10170	11879	13386	14468	15763	16719	17465	18407	19544
223	1610	2938	4156	5568	6856	8674	10171	11881	13394	14473	15768	16721	17467	18411	19546
241	1624	2944	4193	5608	6891	8719	10175	11903	13456	14481	15779	16723	17490	18428	19550
246	1634	2949	4256	5677	6923	8749	10199	11993	13472	14491	15784	16751	17504	18448	19578
254	1738	2953	4272	5679	6926	8755	10209	12041	13493	14497	15785	16752	17508	18454	19582
271	1768	2955	4293	5682	6948	8795	10213	12057	13499	14520	15786	16762	17515	18467	19590
283	1778	2964	4303	5687	6984	8802	10227	12125	13504	14527	15845	16772	17534	18472	19611
322	1785	2975	4310	5690	6985	8823	10235	12142	13513	14534	15849	16773	17539	18473	19613
341	1790	2977	4328	5705	7010	8843	10268	12167	13515	14540	15853	16778	17556	18479	19614
356	1800	2996	4333	5708	7038	8852	10270	12174	13535	14552	15860	16782	17587	18481	19615
360	1812	3005	4337	5709	7048	8858	10288	12191	13553	14568	15868	16784	17593	18488	19621
383	1822	3012	4351	5724	7053	8859	10298	12194	13566	14587	15869	16794	17599	18531	19633
390	1823	3030	4414	5740	7063	8864	10313	12235	13568	14592	15875	16799	17608	18534	19636
395	1824	3035	4416	5748	7073	8888	10315	12242	13612	14598	15900	16806	17626	18575	19644
408	1825	3063	4434	5754	7084	8975	10318	12255	13617	14615	15904	16813	17637	18582	19678
471	1829	3104	4442	5756	7094	8982	10340	12275	13624	14645	15910	16816	17697	18595	19684
472	1850	3106	4468	5763	7106	9018	10350	12277	13636	14651	15933	16819	17699	18600	19689
486	1851	3123	4479	5777	7110	9037	10357	12303	13645	14652	15939	16820	17700	18612	19698
504	1860	3125	4502	5787	7163	9041	10367	12316	13661	14669	15944	16821	17706	18620	19700
511	1893	3136	4513	5824	7186	9051	10370	12343	13669	14671	15950	16827	17719	18624	19701
516	1897	3148	4531	5879	7192	9054	10399	12365	13680	14698	15976	16836	17726	18638	19707
520	1908	3154	4534	5896	7214	9098	10404	12411	13687	14704	15981	16842	17729	18643	19711
529	1917	3166	4552	5908	7222	9107	10412	12444	13696	14711	16019	16861	17738	18644	19722
563	1934	3190	4576	5915	7228	9118	10416	12460	13705	14721	16022	16881	17746	18649	19746
574	1941	3222	4580	5923	7264	9123	10434	12504	13713	14732	16034	16909	17755	18657	19753
583	1959	3229	4588	5927	7268	9136	10460	12510	13720	14740	16038	16920	17765	18661	19756
660	1967	3232	4595	5989	7285	9144	10467	12518	13727	14755	16048	16925	17774	18672	19763
667	2015	3236	4596	6003	7288	9260	10498	12530	13732	14777	16051	16948	17790	18674	19764
692	2032	3248	4601	6009	7312	9264	10509	12542	13741	14783	16060	16949	17809	18680	19775
708	2040	3286	4607	6017	7321	9273	10514	12566	13749	14790	16063	16950	17830	18685	19782
711	2056	3293	4613	6028	7323	9280	10619	12801	13750	14797	16083	16957	17833	18689	19793
721	2062	3300	4616	6055	7370	9283	10625	12985	13759	14800	16096	16986	17841	18696	19804
734	2112	3353	4629	6064	7376	9301	10631	13009	13763	14806	16107	16992	17857	18701	19809
741	2175	3366	4645	6074	7411	9306	10669	13010	13775	14813	16112	16999	17919	18709	19814
750	2188	3367	4683	6079	7425	9311	10851	13016	13780	14832	16121	17007	17922	18711	19819
752	2195	3395	4696	6124	7510	9328	10866	13017	13796	14838	16143	17016	17923	18725	19839
762	2226	3403	4697	6125	7517	9356	10928	13026	13804	14843	16148	17018	17927	18727	19847
771	2252	3419	4701	6143	7552	9367	10970	13034	13806	14859	16210	17022	17931	18797	19851
778	2254	3426	4718	6147	7559	9428	11032	13052	13842	14865	16216	17033	17950	18801	19854
788	2262	3432	4719	6154	7588	9433	11070	13057	13844	14877	16223	17058	17953	18808	19861
800	2296	3443	4739	6164	7619	9452	11122	13072	13846	14892	16234	17074	17954	18818	19864
813	2306	3480	4778	6178	7624	9564	11127	13089	13850	14896	16241	17083	17959	18825	19873
848	2314	3496	4782	6184	7627	9574	11129	13091	13858	14905	16243	17090	17967	18847	19879
867	2323	3500	4797	6204	7660	9579	11173	13095	13860	14907	16252	17095	17969	18849	19881
879	2373	3557	4836	6218	7674	9580	11198	13103	13868	14916	16255	17106	17992	18855	19886
885	2397	3558	4837	6231	7695	9589	11209	13106	13934	14958	16256	17114	17998	18857	19897
904	2415	3562	4857	6234	7709	9602	11214	13107	13938	15015	16297	17122	18016	18862	19900
926	2430	3568	4869	6252	7734	9617	11231	13117	13942	15024	16302	17126	18036	18872	19905
929	2432	3592	4957	6264	7741	9625	11253	13129	13948	15107	16304	17133	18037	18882	19910
933	2457	3600	4958	6291	7748	9633	11279	13131	13952	15225	16308	17135	18039	18895	19919
944	2483	3608	4970	6296	7754	9703	11302	13139	13964	15226	16321	17146	18042	18903	19922
971	2488	3626	4983	6303	7762	9705	11310	13142	13977	15240	16323	17158	18043	18923	19928
976	2501	3655	4996	6324	7787	9724	11337	13146	13980	15244	16333	17164	18047	18989	19938
994	2504	3678	5016	6341	7839	9729	11347	13156	14010	15262	16338	17187	18052	18995	19941
998	2508	3682	5022	6348	7840	9743	11365	13163	14086	15264	16360	17193	18058	19002	19945
1049	2542	3684	5069	6357	7857	9750	11371	13169	14090	15279	16362	17198	18061	19007	19952
1054	2548	3693	5076	6389	7864	9781	11388	13170	14169	15308	16367	17201	18064	19038	19971
1086	2558	3809	5099	6397	7874	9790	11436	13173	14182	15444	16372	17207	18065	19044	19985
1097	2566	3859	5107	6417	7886	9819	11443	13184	14190	15472	16374	17210	18073	19087	19990
1107	2568	3861	5123	6420	7898	9856	11482	13186	14208	15476	16390	17216	18082	19088	19998
1128	2608	3868	5127	6437	7908	9896	11522	13191	14223	15483	16395	17220	18107	19090	19999
1133	2612	3886	5128	6459	7923	9920	11529	13193	14226	15491	16408	17224	18115	19136	
1174	2618	3912	5135	6562	7935	9934	11536	13197	14245	15507	16416	17234	18123	19141	
1176	2629	3914	5186	6592	7957	9955	11542	13202	14261	15512	16418	17238	18152	19164	
1188	2635	3944	5202	6609	7969	9996	11555	13208	14270	15519	16419	17250	18157	19191	
1194	2640	3978	5261	6614	7978	10000	11572	13214	14281	15528	16424	17257	18182	19202	
1206	2652	3986	5279	6620	7992	10011	11583	13219	14293	15533	16431	17258	18271	19213	
1208	2659	4000	5330	6631	8000	10020	11584	13222	14301	15548	16440	17290	18274	19216	
1228	2676	4008	5347	6646	8014	10023	11591	13227	14312	15553	16445	17294	18277	19227	
1269	2716	4034	5364	6650	8135	10036	11595	13239	14320	15579	16449	17304	18286	19231	
1272	2748	4040	5414	6665	8147	10041	11602	13241	14327	15587	16460	17310	18289	19235	
1291	2761	4041	5421	6692	8158	10044	11610	13244	14383	15600	16490	17313	18297	19251	

Holders of the above debentures should present and surrender them for redemption on or after July 15, 1980 with the January 15, 1981 coupon attached at The Bank of Tokyo Trust Company, 100 Broadway, New York, N. Y. 10005, or at the offices of The Bank of Tokyo, Ltd. in London, Brussels and Paris, or the main offices of Mees & Hope in Amsterdam, Morgan Guaranty Trust Company of New York in Frankfurt, Credito Romagnolo, Sede Di Milano in Milan (formerly known as Banca Vonwiller & C. S.p.A.) or Banque Generale du Luxembourg in Luxembourg. Coupons payable July 15, 1980 should be detached and collected in the usual manner.

Interest on the debentures so called for redemption will cease to accrue from and after the redemption date, to wit, July 15, 1980.

THE BANK OF TOKYO TRUST COMPANY
as Trustee.

June 13, 1980

NOTICE

The following coupon Bonds previously called for redemption have not as yet been presented for payment.

85	497	2358	2697	4623	5137	5868	6440	7527	9735	12258	13087	17456
93	558	2369	3301	4625	5160	5869	6774	7685	10161	12423	13168	17463
138	725	2394	3310	4666	5230	5876	6997	7745	10162	12428	14442	17471
216	834	2398	3311	4667	5232	5889	6998	7770	10166	12435	14461	17482
218	895	2403	3418	4668	5234	5900	7066	7776	10169	12477	14469	17491
220	1218	2417	3420	4672	5237	5959	7068	7779	10245	12480	14478	17503
224	1612	2452	3866	4673	5436	5990	7243	7780	10273	12483	14738	17506
230	1627	2453	3895	4723	5445	6060	7252	7781	10297	12487	14815	18161
232	1736	2454	3899	4839	5454	6065	7287	7814	10325	12491	15524	18290
236	1840	2475	3901	4841	5654	6071	7291	7832	11022	12492	15642	18402
244	2014	2550	3907	4842	5678	6174	7329	8556	11141	12493	15646	19082
247	2192	2557	3909	4850	5680	6245	7336	9007	11161	12503	15649	
253	2246	2559	3910	4963	5681	6287	7358	9112	11166	12505	15885	
256	2259	2563	3911	4964	5712	6288	7362	9226	11202	12508	15919	
260	2284	2603	3992	4966	5721	6387	7367	9282	11238	12515	16375	
264	2293	2632	4004	5012	5743	6390	7368	9284	11330	12524	16409	
268	2356	2646	4129	5091	5744	6412	7374	9488	11695	12543	17320	
290	2357	2695	4130	5093	5814	6431	7496	9706	12160	13051	17396	

هكذا من الأصل

FINANCIAL TIMES SURVEY
Friday June 13 1980

Energy for Industry

Uncertainties over energy supply have abated and the present lower demand should be met for the next year without difficulty. The industrialised West has recognised its over-dependence on oil and set lower import levels. Considerable energy savings are being achieved in industry by adopting conservation measures.

Savings hitting the mark

By Ray Dafter
Energy Editor

INDUSTRY AND commerce have found themselves trapped uncomfortably between economic recession and inflation, both of which have been aggravated by big increases in energy costs over the past 18 months.

But there is some consolation. For the time being supply uncertainties have abated. There are more than adequate amounts of the various fuels to meet dampened demand for the rest of this year and next winter.

How long this state of affairs will last is anyone's guess. Energy—particularly oil—has become a political instrument as well as an economic commodity. A disruption in supplies from one of the major oil producers could trigger another crisis similar to those that occurred in 1973-74 and 1978-79. By reducing their dependence on oil major energy-consuming countries can do much to lessen the impact of such a crisis when and if it occurs.

The International Energy Agency, representing virtually all of the West's main industrialised countries, recognised this in the action taken at its last ministerial meeting on May 22. Ministers agreed to implement national energy policies that would enable IEA countries to "substantially under-shoot" the existing 1985 group target for oil imports—26.2m barrels a day including bunkers. The IEA's secretariat estimates that concerted action could lead to imports falling around 4m b/d short of that target.

Further, the IEA has agreed to reduce the share of oil in the total energy demand to about 40 per cent by 1990, as against around 52 per cent now. The ratio of energy growth to economic growth is expected to be brought down to about 0.6:1. This is in sharp contrast to the trend before 1973 when energy consumption was growing at a faster rate than the world's economic activity.

Reporting to Parliament on these objectives earlier this month, Mr. David Howell, Energy Secretary, commented: "Implementation will require courageous and sometimes unpopular action from all member governments."

Burden

It seems inevitable that industry will be called upon to carry much of the burden of energy policies designed to fulfill IEA's commitments. Industry is the biggest single user of energy—ahead of the domestic and transport sectors. It has probably the greatest economic incentive to change its energy consumption patterns. With fuel prices rising so rapidly, a conservation-minded company is finding that it can be much more competitive than a company which still uses fuel in a profligate manner.

The U.S. is often described as the greediest energy consumer in the world, but its industries—like its motorists—have begun to be more conservation-minded. This was a point taken up by Mr. Edward Jefferson, president of one of the biggest U.S. chemical groups, E.I. Du Pont de Nemours, when he spoke at a London meeting of the American Chamber of Commerce last month.

In the early to mid-1970s operators of industrial plants voluntarily agreed to reduce energy use by 10 to 30 per cent, he said. The target date was early 1980. "While the data is not all in, it appears that most industries met the mark," Mr. Jefferson stated. Du Pont had reduced its energy consumption per unit of output by 25 per cent as against a 1972 base level. By the end of 1985 Du Pont intended to bring consumption down by 36 per cent.

"We are convinced that energy savings at these levels are possible in many companies and industries, and that it is still true that the least expensive barrel of oil you can buy is the one labelled 'conservation,'" Mr. Jefferson added.

"A recent study by the Union of Concerned Scientists has shown that improvements in energy efficiency in the U.S. saved the equivalent of 1.3bn barrels of oil between 1973 and 1978—about five months' worth of oil imports at present levels.

There is a problem for those analysing such figures, however. They can never be certain whether reduced consumption is due to depressed economic activity, a reaction to higher prices (a type of conservation measure), or the result of deliberate energy-saving action.

It is reckoned that within industry "good housekeeping" requiring no or very little investment can reduce fuel consumption by at least 10 per cent — much more in very many cases. By investing in proven technology companies should be able to improve energy efficiency by at least 30 per cent.

These are the sort of challenges now facing a new breed of industrial and commercial executive — the energy manager. Within the UK it is estimated that there are now more than 5,000 energy managers, many of them very close to the top of their organisation's management structure.

Another reason why energy conservation is difficult to prove and isolate stems from the decision-making processes within industry. The Royal Dutch/Shell Group, in its "Energy Efficiency" publication last year, gave a typical reaction sequence for industry:

- Companies could take one or two years to analyse future energy pricing trends.
- A further one to three years might be spent analysing regulation standards and the choice of conservation options.
- The ordering and construction period might last a further one to three years.

Thus, it could be three to eight years after the first pricing signals are read that new conservation equipment is installed and switched on. As Shell says: "Much could be in the pipeline that has yet to show up in statistics."

Mr. John Moore, Junior Energy Minister with special responsibility for energy conservation, believes that industry expended its greatest fuel-saving effort in the period from 1974 to 1976 when rising prices were having a major impact. He doubted whether a great deal of savings were achieved in 1977 and 1978 when fuel prices were dropping in real terms. But the situation has changed again in the light of post-Iranian price increases which occurred last year and have continued apace to the present.

North Sea oil was priced at around $14 a barrel at year-end 1978. Today it costs more than $36 a barrel. The Government has encouraged North Sea operators to follow the world pricing trend. It has steadfastly avoided giving its industrialists a helping hand by keeping down domestic oil prices. Indeed, the Government has encouraged the British Gas Corporation to raise its prices to a level more in line with those for oil products.

"There is no doubt that the pricing mechanism works; realistic pricing encourages conservation," Mr. Moore said. Higher prices together with an increased information programme are the twin pillars supporting the present Government's conservation policies.

Mr. Moore and his colleagues have taken considerable satisfaction from the most recent statistics emanating from the Department of Energy. A new fuel price-index, published in the latest issue of the Department's "Energy Trends," shows that last year the price of industrial fuels rose by 17 per cent as against a 10 per cent rise in wholesale price index (excluding crude oil and carbonising coal).

In the last quarter the increase was 30 per cent over the corresponding period of 1978—a rise which was three times faster than the wholesale price index. During the quarter heavy fuel prices rose no less than 52 per cent.

Accordingly, prices were reflected in consumption. Industrial energy consumption (excluding the iron and steel sectors) rose by just 2.9 per cent during the year as a whole. However, fourth-quarter consumption was down 0.9 per cent against the corresponding period of 1978. Oil demand in the quarter dropped 8.8 per cent.

And the trend has continued into this year. Total deliveries of oil products fell by 14.6 per cent, or 3.5m tonnes, in the first quarter compared with a year ago. About 1.6m tonnes of this may be attributed to reduced supplies to power stations, which have been increasing their coal burn, but even after accounting for this the reduction in all other deliveries amounted to 9.6 per cent.

Most of the drop in demand for butane and propane (down 5.1 per cent) can be laid at the door of industry. Similarly there were substantial reductions in the consumption of burning oil, gas oil and diesel all of which were largely attributable to industry and commerce. But the most dramatic swing is recorded in the heavy fuel oil sector. Even after accounting for the cut-back in supplies to power stations, deliveries of fuel oil to industry and commerce fell 23.6 per cent during the first quarter. At the same time deliveries of industrial coal fell by 11 per cent.

Case studies

All these changes must be seen in the light of reduced economic activity. The index of production for manufacturing industries was down 2.5 per cent as against the first quarter of 1979.

So, on the face of it, conservation effort is moving ahead of economic trends. This is borne out by a host of case studies cited by Mr. Moore. Among them are:

- Olives Paper Mill, at Bury, spent £100,000 on equipment to re-use hot air from drying cylinders. It is estimated that fuel savings will exceed £25,000 a year.
- Ardmore Distillery invested £250,000 to re-use high grade heat. Savings: at least £80,000 annually.
- Yorkshire Brick Company, Barnsley, spent around £10,000 on a heat recovery system and is saving over £625 a week—£300,000 a year — as a result.

The savings achieved in these schemes may appear modest when set against what is being achieved by the big energy-intensive groups — oil refiners, chemical manufacturers, the iron and steel companies, motor manufacturers and the like. But they illustrate what can be achieved, often with relatively modest investment. It is worth noting that the latest winner of British Gas Corporation's "Gas Energy Management" (GEM) award—E. and E. Kaye of Enfield has achieved a 75 per cent reduction in the amount of natural gas needed for the heat treatment of aluminium billets.

Mr. Archie Forstet, the new chairman and chief executive of Esso Petroleum, recently gave his endorsement of the need for even greater conservation effort when he delivered the Idris Jones Memorial Lecture — "A Sane View of the Energy Future" — a few weeks ago. He said:

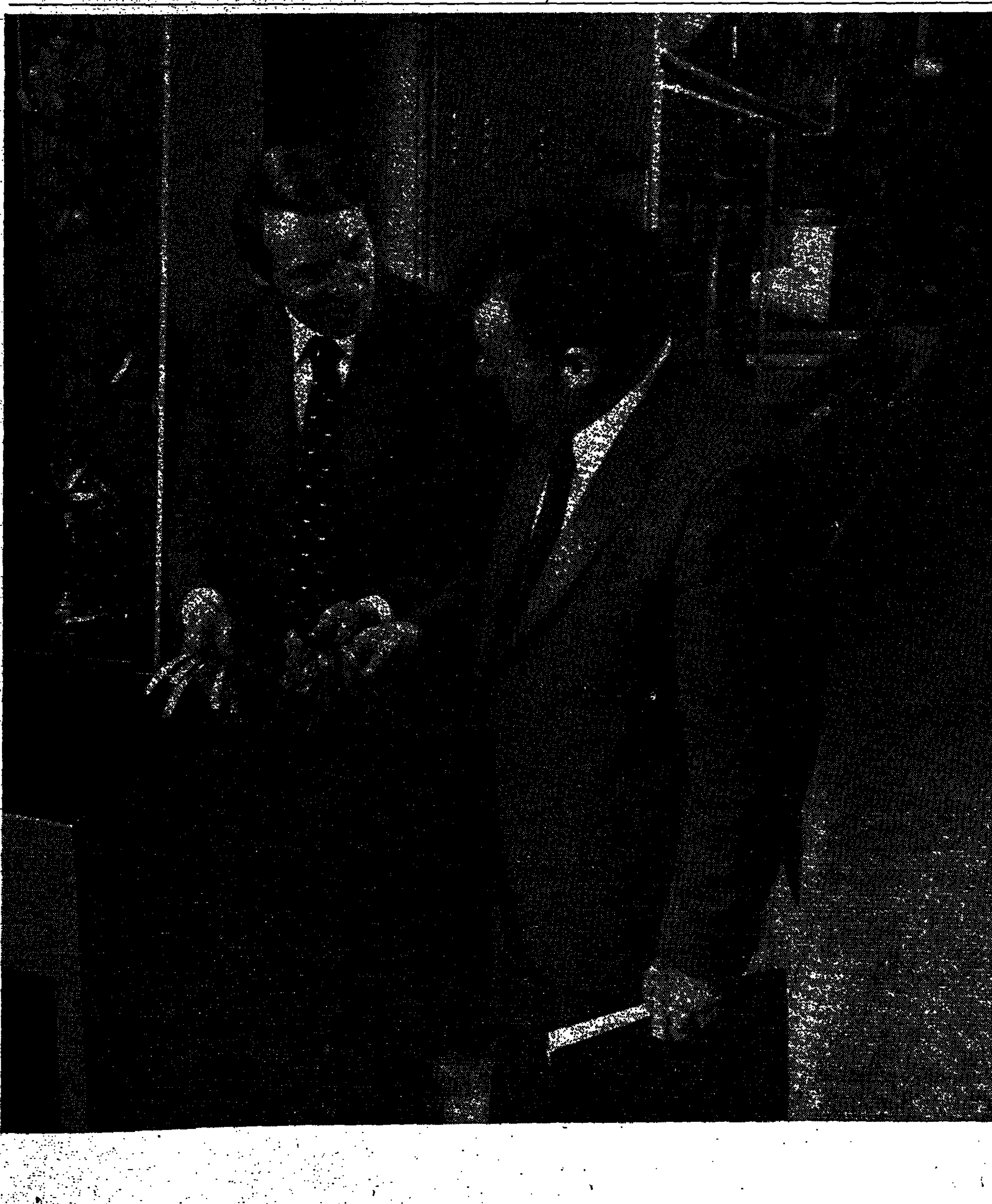
"The most powerful force for change will be the force of the market, and we must have the courage to let it operate. The market pricing mechanism tells customers which fuels to use and when to use them, if it is allowed to reflect the true cost of the resources involved. It is the greatest conservation propanganda one could wish for—much superior to any form of exhortation."

INDUSTRIAL FUEL PRICE INDEX
(in current terms, 1970=100)

	Coal(4)	Heavy Fuel Oil	Gas	Electricity	Total Fuel	Wholesale Prices Index of Materials excluding crude oil and carbonising coal
1973	132	139	65	114	119	145
1976	266	474	149	239	296	267
1977	317	600	204	275	363	308
1978	345	564	252	303	384	309
1979	414	710	287	336	450	341
Percentage change 1978 to 1979	20	26	14	11	17	10

Source: Department of Energy

CONTENTS



Choosing electricity makes sound business sense

Derek Melven is a Managing Director who doesn't take decisions without a thorough analysis of all the relevant facts and alternatives. For some of the processes at Aylesbury-based *TRW* United-Carr, where they make over £5 million worth of fastening devices for the automotive appliance markets each year, the decision to install new plant meant that decisions needed to be taken on energy sources too.

In four key areas, Derek uses electricity and he says "Working experience is proving that we made the right choice. Increased output, better quality control and improvements in the working environment are all coming out very close to forecast."

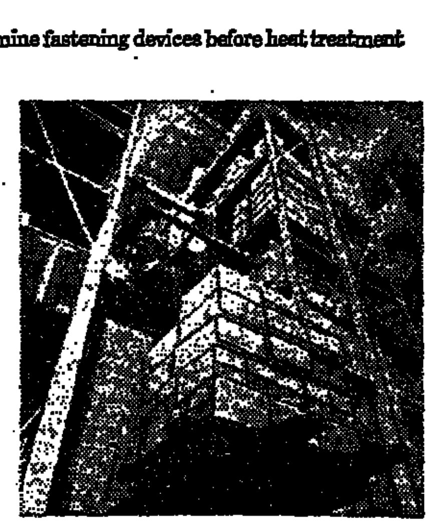
A compressed-air drying unit keeps their pneumatic systems on the go ... electric heat-treatment furnaces have increased output by 50% ... the automatic electro-plating line has led to closer quality control ... and electric lift-trucks are giving an improved working environment.

This helps to show how an Industrial Sales Engineer from the local Electricity Board has advised on the best use of electricity in a particular manufacturing situation.

In this case, it was John Aldous from the Eastern Board who worked alongside his customer and helped get results which make sound energy management sense. To talk to the men who have the experience to help improve your company's operating efficiency, just contact your Electricity Board.

Derek Melven (far left) and John Aldous examine fastening devices before heat treatment at *TRW* United-Carr.

Closer control of quality has become possible now that automatic electro-plating is in use.



Battery powered lift-trucks, charged on night-time low tariff electricity, are giving a cleaner, quieter working environment.

INVESTELECTRIC
The Electricity Council, England and Wales

Specialists to the Energy Industries for over 30 Years

Bankers Trust Company

Offices and Affiliates in
New York Houston
London Paris Frankfurt

Coal set for comeback

COAL, WHICH lost much of its British industrial market during the cheap oil era of the 1960s, is poised to make a comeback.

Nothing illustrates this more clearly than figures: In the 1950s coal held 72 per cent of the market for fuel burnt by general industry, by hospitals and local authorities using industrial-type boilers. Today coal only accounts for 13 per cent of this market, about 11m tonnes of a market of over 80m tonnes a year. But the National Coal Board hopes that over the next 10 to 15 years it will push its share up to 30 per cent or more.

Four factors are vital in achieving this target: an assured supply of coal, reasonable prices, ease of coal use, and the construction of sufficient new boilers to burn the fuel.

Operating hydraulic roof supports at the new Betws drift mine, South Wales, part of the National Coal Board's £600m a year expansion programme

Evidence

Supply seems to have turned a corner. Deep-mined production rose by 4m tonnes last year, to 109m tonnes, the first year-on-year increase since 1963. It is the firmest evidence yet that the investment poured into the industry since the mid-1970s is starting to pay dividends.

It is impossible to say just how closely domestic supply will match demand in the year 2000. The recently published World Coal Study predicted UK demand then would be anywhere between *140m* and *180m* tonnes. The NCB aims to supply 170m tonnes. Many observers believe this may be over-ambitious, but the Coal Study nevertheless estimates that imports will have little, if any, part to play in meeting the country's needs.

Indeed, with the demand for power station coal growing only slowly and the domestic market relatively stable, the NCB will be looking to industry as a vital consumer of its output over the next decade.

Forecasts of the future price of coal, compared to other fuels, generate as much argument as the supply/demand equation. There are two broad schools of thought. One reckons that coal will follow up the price of oil closely, though always maintaining a competitive margin of at least 15 per cent beneath oil. The other estimates that a considerably greater gap could open up between the two.

The price ratio of industrial coal to oil varies, but in the UK now the average price of coal per therm delivered to the boundary of a general industrial site is around 65 per cent that of oil (17-18p a useful therm for coal, 27-28p a therm for oil). The advantage can be reduced somewhat by higher operating costs but the gap is still substantial and seems likely to remain so.

Furthermore, many of the handling problems once associated with coal use have been minimised by technical advance. Pneumatic handling systems, for example, can pump coal by pipeline into plants and remove ash in the same way. Meanwhile, the new fluidised bed boiler, gradually being introduced, offers lower operating costs and more efficient fuel consumption.

But although coal's future in industry looks bright, there are fears within the NCB that bottlenecks could develop in the provision of new boilers to burn the fuel.

The board estimated that 25,000 new boilers may be needed in the UK over the next 10-15 years. Already there are clear signs of a switch to coal firing by some major companies but the movement is not as rapid as it could be.

Gearing

One problem seems to be the capital costs involved in a switch at a time of high interest rates and an economy going into recession. Companies with expensive-to-run but workable oil plant are unenthusiastic about an investment which will worsen their gearing, whatever the long-term benefits.

The fear at the NCB is that by delaying a switch, companies may create an eventual logjam in the supply of boilers and ancillary equipment, with everyone suddenly wanting new equipment at the same time. Since the installation of a boiler can take four years or more from the decision to go ahead, such jams can easily build up.

So the major obstacle in the way of a rapid expansion of coal burning by industry seems to be the capital expenditure involved. And the costs are substantial: a new boiler for a medium-sized consumer using 5-10,000 tonnes a year could cost up to £500,000. A boiler for a large process plant, using 500,000 tonnes, could cost up to £50m.

Action by the Government, in the form of tax relief or conversion grants, might help, and would have the added virtue of conserving oil supplies. But for the most part the switch to coal seems likely to depend on a display of enlightened self interest by industrialists themselves.

Martin Dickson

Fuel costs force electricity rise

THESE ARE difficult days for the electricity supply industry, which has just announced a 10 per cent price rise for August —5 per cent more and two months earlier than planned.

This announcement came at the same time as one from the Government saying it was asking the Monopolies Commission to investigate the efficiency and costs of the Central Electricity Generating Board, which provides the English and Welsh area Boards with their bulk electricity supplies.

At present, the national price of electricity delivered to medium sized industrial consumers averages 83.5p a therm. After August 1 this will go up to 89p a therm.

The factors behind the price rises, which are also likely to be the issues looked at by the Monopolies Commission, go a long way towards explaining the industry's present state and future outlook.

The most important reason cited by the Electricity Council for the price rise was the increased cost of the fuel used to generate electricity. It said oil doubled in price over the last year and coal had gone up by 35 per cent.

Since fuel accounts for more than 50 per cent of the electricity industry's costs, a large proportion of its prices merely reflect coal and oil price rises over which it has no control.

Another signicafint factor in the rise will have been the industry's need to stick to the financial target set for it by the Government for the next three years—an average annual rate of return of 1.8 per cent on net assets — and its external financing limit, fixed for 1980/81 at £187m.

Complain

As it is, the industry had to exceed by £200m-£300m the borrowing ceiling set for it in the financial year to last March. The figures may seem large, but they are small compared to the turnover of what is one of the country's largest and most important industrial organisations, and many complain that the borrowing limit merely hinders commercial efficiency.

Last year's unexpected overshooting of the borrowing target was due in large measure to an unexpected drop in demand for electricity just when the industry was carrying high fuel stocks.

The drop stemmed from mild winter weather and strikes in the engineering and steel industries, but it may also have been due to the gathering recession, which is expected to produce very slow growth in electricity demand over the next six years.

Latest Electricity Council figures suggest that demand will remain static at 226 terawatt hours until 1987-82, when a modest rise will begin. But by 1986-87, it will only have reached 239.4 TWH, 6 per cent higher than now.

Longer-term demand is very difficult to gauge but the council reckons that by the year 2000 it could be between 269 and 437 TWH, probably towards the lower end of this range.

Peak demand

On the supply side, the 1980s should provide the industry with an embarrassment of riches. iWth 13,000 MW of new generating plant under construction, there should be capacity throughout the 1980s in excess of the so-called planning margin. This is the 28 per cent of capacity above peak demand which the CEGB has ready to cover plant unavailability.

However, in the 1990s the position begins to change. It is estimated that between 30,000 and 40,000 MW of elderly plant will have to be taken out of service before the year2000.

It was to help plug this gap that the Government announced last December a nuclear expansion programme. First, two more British-designed advanced gas-cooled reactor (AGR) stations are to be built at Heysham in Lancashire and Torness in Scotland—despite some Government wavering on the issues this year.

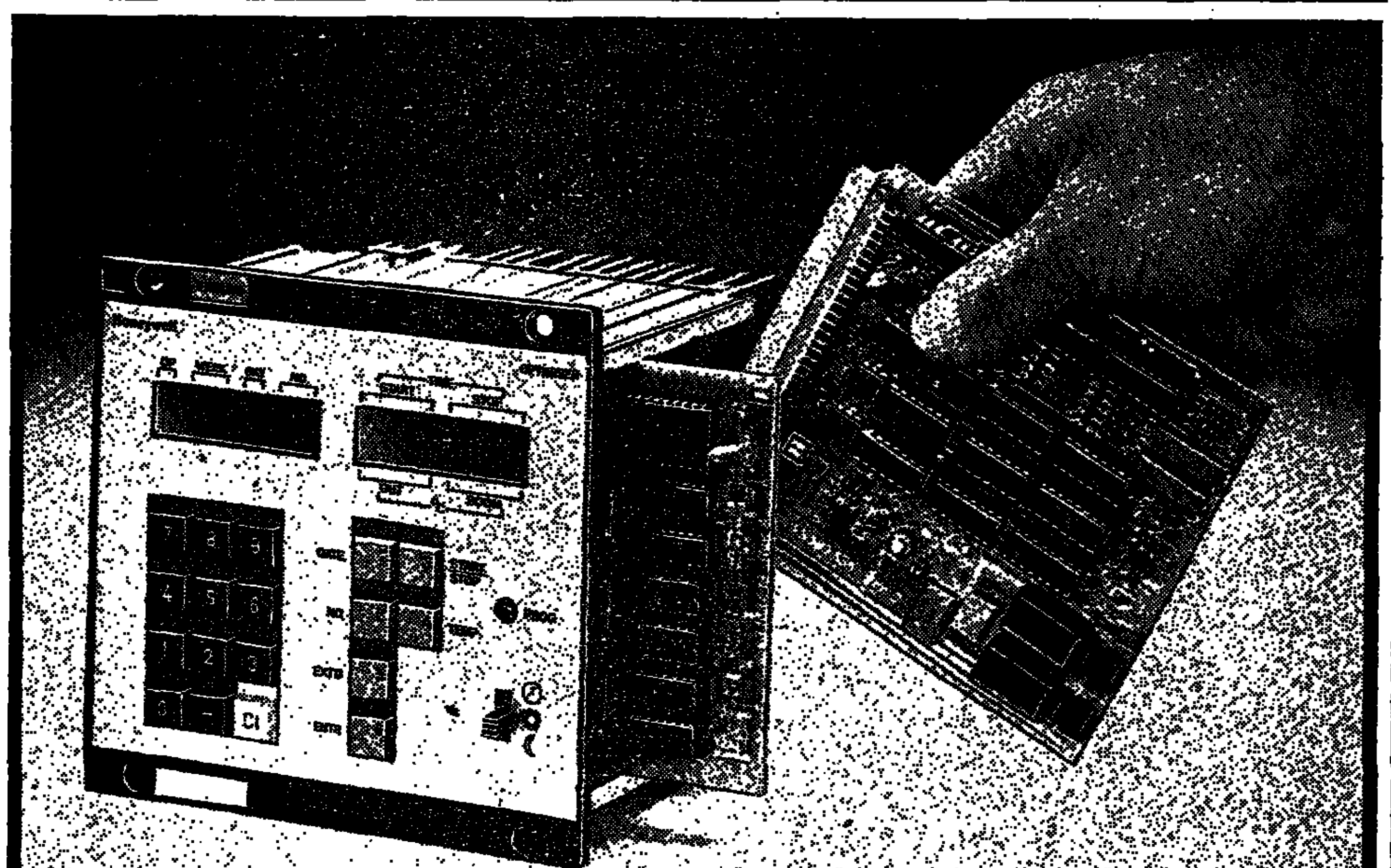
After that, the aim is to begin work on one nuclear station a year in the decade from 1982, starting with Britain's first American-designed pressurised water reactor (PWR) station. But already the starting date for that is slipping back to 1983-84.

Irrespective of the precise demand for electricity during the 1980s, CEGB officials estimate that the new nuclear stations will work out considerably cheaper than equivalent coal-fired plants, taking capital and running costs together, and that they will also provide a marginal saving compared with maintaining existing old plant in the system.

Nevertheless, the industry will continue to rely heavily on coal and, to a lesser extent, oil for its fuel needs for a long time yet and its prices will inevitably reflect theirs.

August's price rises illustrate how this can thwart plans to make electricity more competitive with rival fuels, and there are more rises in the pipeline: the Government expects the price of lectricity to go up by 5 per cent more than the rate of inflation in both 1981 and 1982.

Martin Dickson



Save Energy with the Microprocessor Optimiser

Experience from over 8,000 Honeywell Optimiser installations since introducing the concept in 1970 confirms heating energy savings between 20% and 40% are available in intermittently occupied buildings.

Features incorporated in this 2nd generation system further increase the energy savings potential.

- Optimum start programmes using self adapting software to match plant and buildings responses.
- Optimised switch off of plant before end of occupancy using same self adapting software concept.
- Programmable for up to 12 months including all holidays and weekend shutdown periods.
- Digital readout of programme values, temperatures and time.
- 72 hour power failure standby.

Honeywell offer a complete service to save energy in your building comprising: – survey – installation – commissioning – after sales maintenance.

For further information complete the coupon below or contact Mike Inglis, Energy Management Group, Honeywell Control Systems Limited, Commercial Division, Charles Square, Bracknell, Berks., RG12 1EB. Tel: Bracknell (0344) 24555.

Mike Inglis, Honeywell Energy Management Group
☐ Please send further details on the Honeywell Optimiser
☐ Please arrange for an engineer to call me
NAME
POSITION
COMPANY
ADDRESS
TEL
Honeywell Control Systems Limited, Charles Square, Bracknell, Berks RG12 1EB Tel: Bracknell (0344) 24555

Honeywell

Westinghouse Saves Energy!

WESTINGHOUSE—FIRST FOR ENERGY SAVINGS WITH BOILER COMBUSTION EFFICIENCY

Westinghouse was first with highly reliable oxygen-measuring equipment. First with low maintenance. First with in-place calibration. First with consistent repeatability. And we were the first to eliminate sampling systems. Westinghouse has a complete line of oxygen analyzers as well as control devices. So, when you think of saving fuel, think of Westinghouse first.

We help you get the most out of combustion.

Westinghouse

Electric and Computer and Instrumentation Division

BURYMEAD ROAD, HITCHIN

Tel. (0462) 55321. Telex 825435

Furmanite are the inventors and world leaders in the specialist technology of underpressure leak sealing. Throughout the world power stations, refineries, petrochemical plants, paper mills, steel mills, breweries, and many other continuous process industries, are saving energy and improving plant performance by using the services of skilled Furmanite technicians.

FURMANITE

Furmanite International Limited
Dockray Hall Road
Kendal, Cumbria LA9 4RX
Tel: (0539) 23124 Telex: 65262

Saving Energy Worldwide

Technicians resident in 20 countries

Oil market remains unstable

INDUSTRIAL BUYERS of oil products must think they are involved in a perpetual game of "Heads I lose, tails you win."

Last year, in the wake of the Iranian crisis, they faced supply shortages as oil companies, concerned about stock levels and market disruptions, restricted deliveries. And, of course, prices went up.

So far this year oil supplies have been more than adequate to meet demand. The mild winter and lowered economic activity have left stock tanks full. With Saudi Arabia—the world's major oil exporter—still willing to maintain output at the high level of 9.5m barrels a day, companies have ended their restrictions on deliveries. And prices keep going up.

Now big oil companies are warning their customers not to be complacent; to be aware that further supply disruptions and shortages could come at any time in what is still a fragile oil market. And there is a general recognition that prices are likely to continue to go up.

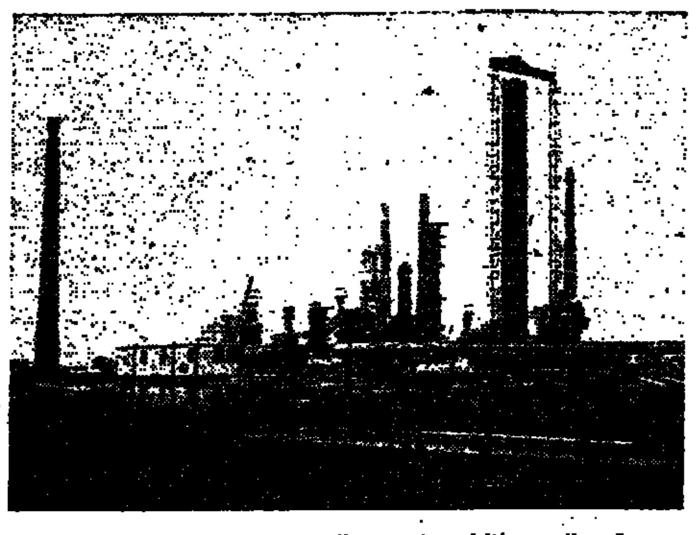
On New Year's Eve 1978, a barrel (35 gallons) of North Sea oil from the Forties Field cost $14. By the beginning of June this year, and nine price increases later, the market value had risen to $36.25 a barrel.

For the first time the UK Energy Department has included fuel price indices in its Energy Trends statistical bulletin. The latest issue shows that between 1973 and the end of last year the price of fuel oil, in current terms, rose 502 per cent. By comparison the index of wholesale prices, excluding crude oil and carbonising coal, rose by just over 144 per cent during the same period.

The actual prices agreed by oil companies and their industrial and commercial buyers are not normally disclosed. However, two fuel consultants—Cambridge Information and Research Services and John Hall Associates—put the average mid-May price of heavy fuel oil, bought in bulk by large customers, at about 39.5p-43.25p per gallon. Such prices for a refined product, it should be noted, were only a fraction above the mid-May price of crude oil. Assuming an average crude price of $31 a barrel and an exchange rate of $2.34 to the pound, unrefined oil is seen to have cost about 38p a gallon.

High-quality gas oil—used by British Gas Corporation as the basis for the calculation of its contract pricing—was costing between 59p and 65p a gallon in mid-May, according to the two consultants. (All their prices relate to new or renewed contracts.)

Cambridge Information forecasts that industrial and commercial fuel buyers should be able to look forward to stable or even falling product prices in the coming months in view of the depressed economic conditions and consequent falling demand. In its April energy bulletin, the consultants reckoned that "those companies with relatively strong purchasing power may be able to negotiate lower net prices for their oil with cuts of up to 10 per cent on current levels."



Work progresses on one of the most ambitious oil refinery projects in Western Europe—a catalytic cracking unit which will upgrade products from the Texaco and Gulf refineries in Milford Haven, South Wales. The £250m project forms part of a general oil industry scheme to extract from crude oil a higher proportion of transport fuels and chemical feedstocks and a lesser amount of heavy fuel oil

Realistic prices

That said, the Government has made energy conservation through realistic prices a cornerstone of its fuel policies. The North Sea should soon be yielding enough oil to put the UK into a position of net self-sufficiency—around 1.8m barrels daily. But the present Government, like its predecessors, is making sure that the oil is sold at the world market rate. As North Sea crude is of premium quality, the policy means that UK oil is among the most expensive in the world.

"It is quite clear that the step we have taken to ensure the price of energy must signal its value and scarcity has been the most effective conservation measure taken over the last 10 years," Mr. John Moore, Junior Energy Minister responsible for conservation, said at a commercial motoring conference a fortnight ago.

He was speaking as the Government released details of energy consumption in the first quarter of this year. Overall primary energy demand fell by 6.6 per cent against the corresponding period of last year. But the consumption of oil products dropped by 14.4 per cent. Depressed industrial activity, the steel strike, relatively mild weather, conservation effort and the switch from oil to other fuels all combined to cause the reduction in demand.

During the early part of this year, for instance, the amount of oil used by the iron and steel industry was 42.3 per cent below last year's level. The amount of oil—predominantly heavy fuel oil—used in power stations was down by about one third as the Central Electricity Generating Board increased its coal burn.

The switch from oil and gas to coal and nuclear power in the electricity generating industry is a central plank in the energy policies of most industrialised countries. Energy Ministers of the European Economic Community have just agreed that by 1990 solid fuels and nuclear energy should cover at least 70-75 per cent of the primary energy requirements for electricity production.

More generally, the EEC Ministers want to reduce oil consumption to a level equal to—or lower than—40 per cent of gross primary energy consumption by the end of the decade. At present, oil accounts for about half the EEC's energy needs.

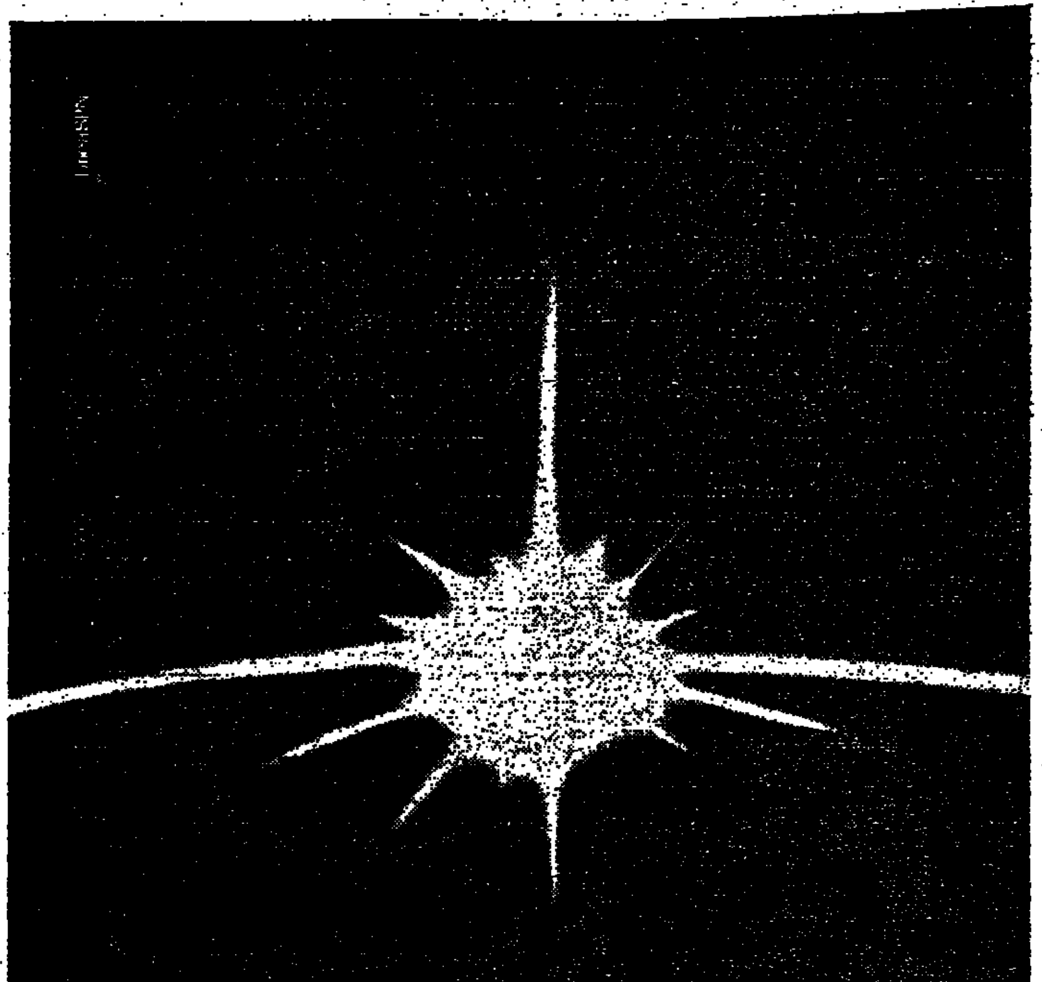
Target

Ministers of countries belonging to the wider International Energy Agency (basically the whole of the developed Western world) have set themselves a similar target. At present, oil's share in IEA's total energy demand is 52 per cent. A communique issued on May 22 said: "Ministers noted that a smooth medium-term transition away from an oil-based economy, is a prerequisite for a prospering world economy in which all nations can pursue economic growth and development."

If governments can effect the necessary changes in energy balances, if industry, commerce and the private individual respond to the call for greater conservation effort, if dampened economic growth leads to lower than expected energy demand and if members of the Organisation of Petroleum Exporting Countries maintain output at around last year's level, there should be plenty of oil to go around. That should result in new pricing stability. But there are many "ifs" and the conclusions are by no means certain when oil has been turned as much into a political weapon as an economic commodity.

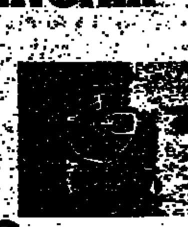
As the IEA communique put it, "The price increases since the end of 1979 have occurred despite falling oil demand and appear to have been made without taking into account their adverse impact on the world economy."

Ray Dafter



Let us know where and when...
and we'll come, plan, construct, train skilled staff and then...

...later, we'll come back, anytime you need technical assistance or the solution to operating problems.
Snamprogetti and its Associates are famous throughout the world for chemical, petrochemical and refining plants, offshore technology, pipelines, textile plants, agro-industrial developments and energy conservation together with associated infrastructure.



Snamprogetti. Engineering and technology, unlimited.
Snamprogetti
Eni Group - San Donato Milanese - Italy
London, Paris, Madrid, New York, Sao Paulo, Geneva.
Find out more by contacting David J. Coates, Marketing Director, at Stanhope House, 47 Park Lane, London, W.1. Tel: 01-4997177.

Government watch on energy use

BRITISH INDUSTRY has reacted in various ways — and at varying speeds — to the inexorable pressures throughout the 1970s for more efficient use of energy. Many individual companies have forged ahead with their own energy-saving techniques but there has also been a growing realisation of the need to bring together individual ideas and techniques for application on an industry-wide basis.

The Departments of Energy and Industry, therefore, for some time have been actively pursuing a policy of encouraging energy audits of major industries and these have been carried out often with the aid of the trade association of the industry concerned.

One of the major problems, however, has been obtaining the commitment of top management in the major companies. There are many industries, for example, where the energy percentage of the cost make-up is small. However, when expressed as a proportion of the value added to a product it can take on an entirely new significance. Certain operations in the dairy industry and metal processing industries — such as rolling aluminium — fall into this category.

In the latter case, for example, energy use is almost 5 per cent of sales value — i.e. very small — but it represents the not insubstantial figure of 30 per cent of controllable costs.

Here is a closer look at the various steps being taken towards energy saving in some major industries.

BREWING: The brewing industry was one of the first to be aware of the need for energy saving. A fuel use survey in 1977, for example, revealed that some breweries were using three times as much energy as others to produce the same quantity of beer. Such differences were accounted for by the age, design, and capacity of plant.

Consequently, the industry set itself a target of reducing energy consumption by 10 per cent over the four years to 1982. In fact, it achieved this target within the first two years of the plan and saved an estimated 2m gigajoules of energy —equivalent to about 20m therms of gas or 100,000 tonnes of coal equivalent.

Feasible

Based on this success, a recent industry energy audit—published in consultation with the Brewers' Society — suggested that energy savings of 33 per cent are considered technically feasible.

The energy audit for the brewing industry revealed several potential energy-saving methods. These included: heat recovery from the keg cleaning and racking lines (saving 86,000 tonnes of coal equivalent a year); improved management of the brewery heat load (savings 73,000 tonnes); and recovery of the boil-off from the brew of the introduction of alternative boiling techniques (saving 73,000 tonnes).

ALUMINIUM: Other than in primary smelting, the major part of energy used in the aluminium industry is in furnaces. There are, however, vast differences in the capacity and context in which furnaces are used. Estimates suggest that standard energy-saving techniques, such as educating employees and good housekeeping methods, could achieve savings of 4,000 terajoules per year, having a value of £7m.

The application of simple direct-reading instruments, for example, could also result in savings of up to £3m a year, the energy audit of the industry suggested. This audit also pointed out that little heat recovery was practised in the industry. "The few conventional heat exchangers that have been incorporated in the stacks of furnaces have generally shown poor performance," the Audit says. Estimates of the potential savings from waste heat recovery suggest that a total of £4m a year could be saved.

The energy audit concludes: "For many years, and even today, energy conservation in areas other than primary production has tended to be regarded as of secondary importance. This has led to a characteristic organisation of production which is not orientated towards using energy efficiently."

GLASS: The glass industry accounts for more than 2 per cent of the total energy used by the main industrial groups. About 80 per cent of the energy used in the industry goes into melting the raw materials to make the glass, which is then formed into various products. This high proportion in the melting process has made manufacturers very aware over the years of the need to improve performance of the melting units.

Careful timing

However, the high cost of glass melting equipment means that replacement by new, more energy-efficient machines may not be made for several years. Therefore, the industry's energy audit suggests that careful timing should be considered of the research into fundamental changes in melting methods so that the results become available as furnaces are due for renewal.

The energy audit report also shows that there is a great loss of heat during the manufacturing process and suggests that there may well be further work to be done on utilisation of this heat. But the report acknowledges that most of the lost heat is low grade and it is not immediately apparent how it could be used.

TEXTILES: Industry estimates suggest that in the various textile sectors—knitting cotton and allied spinning and weaving, woollen and worsted manufacture, dyeing and finishing—there is scope for energy savings of between 15 to 19 per cent, amounting in total to £20m a year.

The possibilities for savings vary from sector to sector, but one constant factor has been inefficient space heating and air conditioning of many plants.

Energy is being wasted too in other simple ways. A study of the woollen industry showed that perhaps as much as £300 per company per year could be saved by a switch from inefficient and often grimy tungsten lighting to more efficient forms of lighting such as fluorescent tubes.

The combination of measures required for the textile industry, therefore, is partly simple good housekeeping and partly the installation of new devices, many of them relatively inexpensive.

IRON CASTINGS: The output of the iron casting industry is larger than that of all other metal castings put together, and the products are diverse—ranging in complexity from iron pipes to car engine cylinder blocks. The industry accounts for about 2 per cent of all energy consumption equal to nearly 6m tons of coal per year.

It is estimated in the industry's energy audit that, in addition to savings that might accrue through good housekeeping measures, not less than 10 per cent of the fuel needed for casting might be saved by employing better technology. It is acknowledged, however, that this could take 15 to 20 years to achieve.

The iron casting industry appears to be the only one of the basic industries that comprises a multiplicity of small units, although production will become increasingly concentrated into fewer, larger ones in future. Much energy could be saved, according to the audit, if advantages were taken of this trend to introduce more efficient ways of melting and superheating the iron. In the traditional cold-blast cupola, for example, dividing the air blast and injecting this at two levels could save about 1.5 gigajoules per tonne of molten metal.

BRICKS: Energy worth more than £11m a year could be saved in the brick manufacturing industry, according to the energy audit for the industry. Savings of 5 per cent could be made merely by the adoption of good housekeeping methods and through minor repairs such as sealing leaks on kilns, repairing doors on dryers, and lagging pipes.

Limited capital expenditure on measures such as the insulation of dryers and improved instrumentation could give added savings of 10 per cent on the industry's fuel bill.

CHEMICALS: The chemical industry is a large consumer of energy mainly in the form of heat. The industry also produces much process heat, often at high temperatures, and offers opportunities for heat recovery.

After exploiting all practicable methods of heat recovery, large quantities of heat usually are still being dissipated into the cooling system. Most of this is low grade heat, for which there is either no demand at this temperature, or recovery is not practicable by conventional methods.

This heat can still be recovered, either by converting it to a higher temperature using heat pumps, or converting it to electrical power by the application of the reverse heat pump principle. However, such methods are rarely economic at present.

Further information on energy savings in the various industries mentioned, and other information about efficient energy use, can be obtained from the Department of Energy, Information Division, Thames House South, Millbank, London.

David Churchill

HOW GAS HELPED REDUCE VAUXHALL'S FUEL CONSUMPTION BY 56%.

These days, no company is more fuel conscious than a car manufacturer.

To sell a car at a competitive price, manufacturing costs must be kept down. And that, of course, includes the fuel bill.

As part of their economy drive Vauxhall Motors aimed to reduce the energy costs throughout their plant at Ellesmere Port by at least 7% a year.

To achieve this target, they worked with the British Gas experts in industrial and commercial energy conservation—the Technical Consultancy Service.

Together they identified large potential savings. Not only have they achieved their 7% target but for one important process Vauxhall have reduced their fuel consumption by 56%, improved working conditions and reduced maintenance costs.

This dramatic example, you might think, is more the exception than the rule. But we can show you many case histories where companies have made considerable savings like those achieved by Vauxhall.

They have all come about as a result of a change of attitude by the companies involved. They realised that while conservation of a premium fuel is undoubtedly in the nation's interest, it can also be highly profitable.

Perhaps you should take a leaf out of Vauxhall Motors' book.

Review your use of fuel and consider getting expert advice on how you can save more.

Who knows, next year, we may be asking if we could feature your company's dramatic savings in an advertisement like this.

BRITISH GAS
Don't waste your energy.

هكذا من الأصل

Gas supplies fully stretched

BRITISH GAS CORPORATION has become very choosy about which new industrial and commercial customers it wishes to take on. The selectivity stems from a new marketing—or, to be more accurate, non-marketing—policy which the corporation finds somewhat embarrassing.

It cannot meet all the demand for new business which has arisen, says the corporation, because of the "flight from oil." British Gas argues that fuel users are not only worried about spiralling oil prices, they are also concerned about certainty of supplies.

For its part, British Gas has been severely limiting its new business in the past year or so to ensure it can fulfil its existing contract commitments.

Consequently, the corporation has been limiting new supply contracts to those companies and commercial undertakings that have used gas in the past or that have a statutory right to supplies (those which use less than 25,000 therms a year and are situated within 25 yards of a gas main). Exceptions to these rules are applied to applicants who can demonstrate a special need for gas: manufacturers with particular processes, for instance.

Soon all industrial and commercial customers of British Gas will be put on the same footing when it comes to the renewal of contracts. Changes introduced in a new Gas Bill, now going through Parliament, may raise doubts about security of supplies, in the minds of some customers. They will almost certainly result in higher prices. But, according to the Gas Corporation, they will put an end to many anomalies.

Under the legislation 11,500 companies will lose their automatic right to assured supplies. British Gas at present has a statutory obligation to supply these concerns, which were all customers prior to 1976. In general they each buy between 25,000 and 100,000 therms a year.

In future they will have to compete for renewed contract supplies on the same footing as other big gas users. British Gas has said that as established customers they would be given priority.

Protection

However, these customers will no longer be able to use the legislative protection of assured supplies as a means of keeping down costs. At present this special category of gas user can opt to buy supplies on non-domestic tariff rather than at the much higher negotiated contract rates.

Since the latest price increase in April, the non-domestic tariff in the North Thames region is 26.1p a therm, with an additional £8 a quarter standing charge. A company signing a one-year firm supply agreement under contract would have to pay the equivalent of gas oil prices—now around 40p a therm. According to the Gas Corporation's latest annual report, the price of industrial gas supplies over the past 10 years has risen from 4.5p a therm (in 1978-79 the average was 11.9p) while commercial prices have gone up from 9.0p a therm (in 1978-79 they were 17.5p).

During the same period there has been an almost fourfold increase in industrial gas sales. In 1970-71, sales of gas to industry accounted for 1.7bn therms of the total 6.74bn therms supplied by the Gas Corporation. In the 1978-79 financial year, they accounted for over 6bn of the 16.7bn therms of gas distributed. The latest Digest of UK Energy Sstatistics shows that British Gas is meeting 28 per cent of industry's energy needs, on a heat supplied basis.

An analysis of industrial gas sales reveals some firm underlying trends. In 1969-70, over 60 per cent of supplies went to the engineering and metals sectors. Today these account for only 32 per cent of industrial gas supplies. The chemical industry's demands, on the other hand, have jumped from 7 per cent of supplies to a share of 36 per cent.

Chemical companies are becoming excited about the prospect of much more gas—both methane, and natural gas liquids for use as petrochemical feedstock — coming ashore through the new North Sea gas gathering system which is expected to receive Government approval this summer. The pipeline network, costing £1bn. to £1.5bn, could be one of the most ambitious offshore projects ever undertaken.

The gas collection scheme, running 400 miles and linking the Magnus Field in the north and Fulmar in the south, would be the outcome of a study jointly conducted by British Gas and Mobil. British Petroleum has said it will soon submit to the Government its own proposals for a gas-gathering network, a more comprehensive and longer-lasting one than British Gas/Mobil's.

Context

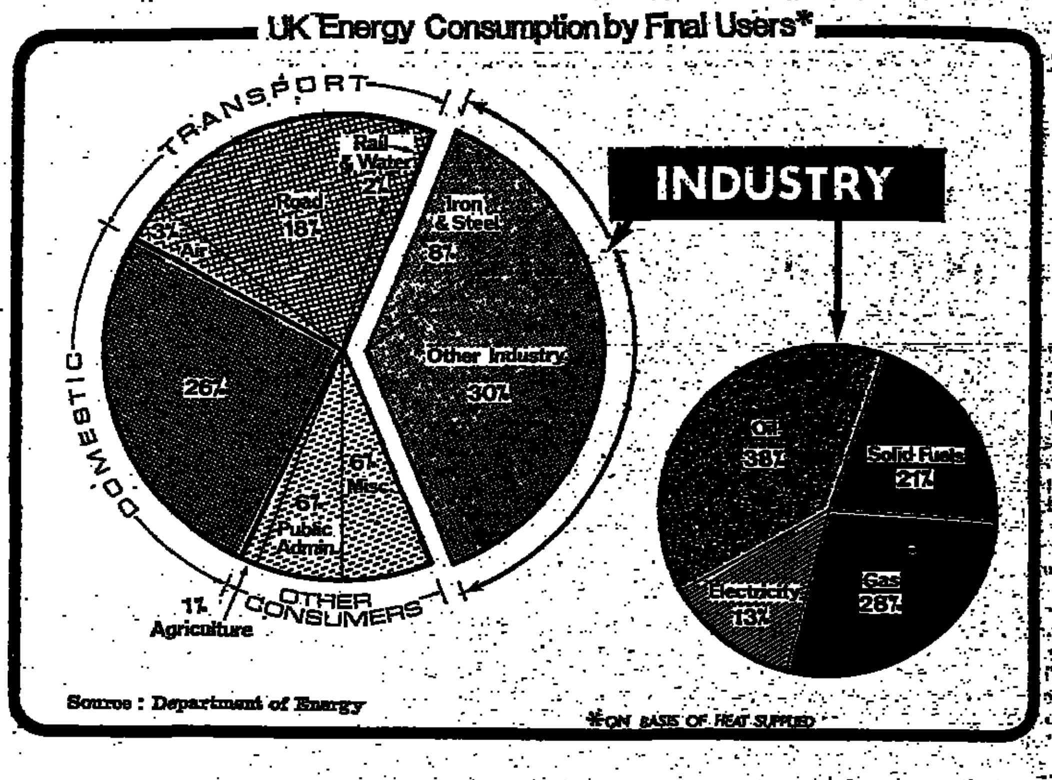
The British Gas / Mobil scheme envisages supplies of heat-giving methane building up to 1.5bn cubic feet a day. This amount should be seen in the context of the average rate of Gas Corporation sales in the past year or so—4.5bn cubic feet a day (16bn therms a year). Over the next few years, sales are expected to build up to around 6bn cfd, before flattening out.

The gas-gathering pipeline is not the only means by which the corporation will be able to remove sales restrictions. The state undertaking is about to exploit its own Morecambe gas field in the Irish Sea, a reservoir containing estimated recoverable reserves of 2-3,000bn cubic feet. British Gas has also bought its partners' interests in the North Sea Rough Field (for between £45m and £55m). The corporation will now spend several hundred million pounds more on converting the field into a natural storage tank. This novel idea will enable British Gas to draw on stored supplies during periods of peak demand.

All told, the corporation expects to spend over £4bn on these developments, together with the construction of a fourth feeder transmission pipeline from Scotland to North East England the installation of additional storage capacity, improvements to land-based facilities, the exploitation of offshore fields, and reserch work on substitute natural gas (SNG).

The package is designed to ensure that natural gas supplies will last into the next century. When they begin to decline, coal-based SNG should take their place. But given the general energy industry move to link gas prices to those for oil, and the Government's policy of "realistic pricing" as a conservation tool, industrial and commercial users of natural gas cannot expect any respite in the short term from rising prices.

Ray Dafter

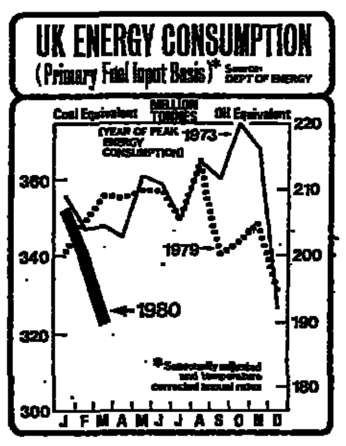


Energy managers and their status

ENERGY MANAGERS are still waiting to be fully recognised by industry. Being something of a new breed, born of a succession of fuel crisis and rapidly rising energy costs, they are still often emerging largely as a result of company directors saying: "We must do something to cut our energy costs. Get old So-and-So to have a look at the problem."

Conseqently, while there are several thousand "energy managers" known to the Department of Energy, their qualifications for the job range very widely indeed—from being maintenance enginers to marketing managers.

Yet the need for a specific individual within a company to co-ordinate efforts to bring down the level of energy bills is apparent enough, partly because very considerable savings—10 per cent and more of total energy costs—can easily be achieved with fairly limited effort, and partly because the methods by which energy consumption can be reduced are becoming more sophisticated. So it makes sense for someone to have responsibility for monitoring the field if the company is big enough to warrant it.



Attentiveness

The Departments of Energy and Industry are well aware of the growing attentiveness of companies to the need to reduce fuel bills. They are receiving more and more inquiries from companies about the likely trend of fuel prices over the next few years and ways in which savings can be achieved. Often, too, such companies are preparing their annual budgets and are becoming only too well aware that every potential area of cost savings needs to be investigated.

Simple steps can usually be taken to produce immediate savings that are crucial to a company's cash flow, particularly in present times when low productivity, poor markets and high cost of money are combining to create liquidity problems across wide sections of industry.

Two of the most obvious areas that energy managers tend to look at are boilers and insulation. More efficient use of boilers, often through better servicing and similar basic steps, can make a noticeable impact, while better insulation of both heating and ventilating systems and buildings generally can generate savings that often repay the cost involved within a few months.

But anything more than the most simple steps generally raises the question of the status of the energy manager. For if he begins to put together proposals that require capital investment there is more than a possibility that his ideas will be steamrollered if he does not have sufficient executive clout to push his ideas strongly with his company Board or other senior management.

Though there is little evidence of what the general attitude of companies is to conservation and to the propostion that it is energy managers who should co-ordinate this activity, it does seem that the need for expenditure to achieve savings is frequently accepted with reluctance. As a result, any capital spending on plant is expected by a company Board to repay itself in a much shorter time than spending in other areas.

An energy manager may well find his recomemndations being accepted only on the basis that he can demonstrate that cost will be recovered within a year or, at the outside, two years. Yet with energy costs rising at the rate they have been and are likely to register in the future, many energy managers believe that expenditure should be written off over as many as five years, while still showing good long-term savings.

Boundaries

It is not only company boards who need to be convinced about the role of an energy manager. If he is to be effective, he will need to have access to both technical and financial information relating to energy consumption — of oil, gas, coal or electricity — so that he can investigate the areas where cuts may be made. Since his appointment may be a new one, he will probably cut across established operational boundaries, and experience shows that some people resent having to divulge information normally not disclosed to anyone other than senior management.

It is for this reason that energy managers themselves tend to advocate being given sufficient status within their company to operate without such hindrances. Normally that means being answerable direct to the board or management immediately below that level.

A full-time energy manager is probably only justified in larger companies where the energy bill is not only sizeable but where such costs represent a significant proportion of the company's total costs. In such instances the scope for savings is probably substantial and can be effected not only by basic measures but also by investment in equipment which generates direct and indirect savings.

Harness

A good example of the more sophisticated type of savings is to be found in the record producing industry. Records require that the plastic is very hot for pressing, but made cold immediately afterwards. In the process a lot of heat disappears through cooling towers. But it is perfectly possible to harness that heat for warming the building in the winter, thus saving considerably on fuel bills in cold weather.

As more and more companies are beginning to, produce equipment designed to effect energy savings in manufacturing processes so the requirement for energy managers to have more technical knowledge increases. For this reason many energy managers apparently believe that an engineering background is ideal for their job.

Nevertheless, there is no reason why somebody with a lesser qualification should not do such a job in a smaller company—and on a part-time basis only. It would be perfectly feasible for somebody in the maintenance department to take on an energy manager's role, installing such smaller energy-saving devices as thermostats on individual radiators (which can be highly effective) and generally ensuring that a tighter rein is kept on all forms of energy consumption.

In the UK there are some 74 Energy Managers Groups—that is, regional groups which began to be established three or four years ago on the initiative of the Department of Energy's regional energy conservation managers. They meet regularly—each group drawing together between 30 and 50 energy managers—and discuss ideas and new processes and anything else relevant to energy saving. As yet, it appears that there is no discernible "average energy manager" since their backgrounds differ widely. But it is quite probable that a clearer picture will emerge within a few years as companies are forced to become more energy-conscious.

Nicholas Leslie

Burn Less Money

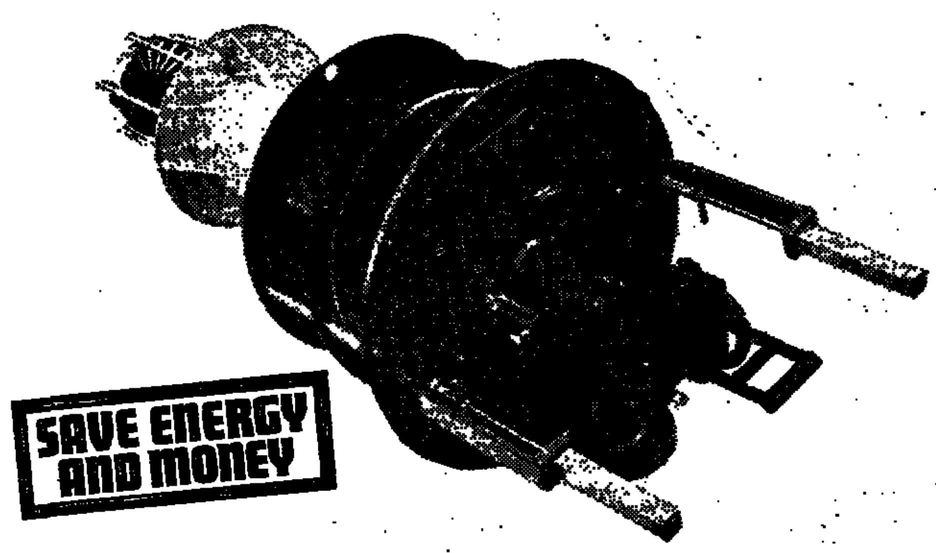
Combustion efficiency, reliability in operation and advanced but uncomplicated design mean more efficient use of precious resources, reduced maintenance and longer running periods. All this adds up to significant cost savings with the benefits of:

LESS FUEL✔ LESS WASTE✔
LESS POLLUTION✔ LESS COST✔

-good news when you have to burn money!

The benefits of CEA experience and advanced technology are embodied in the

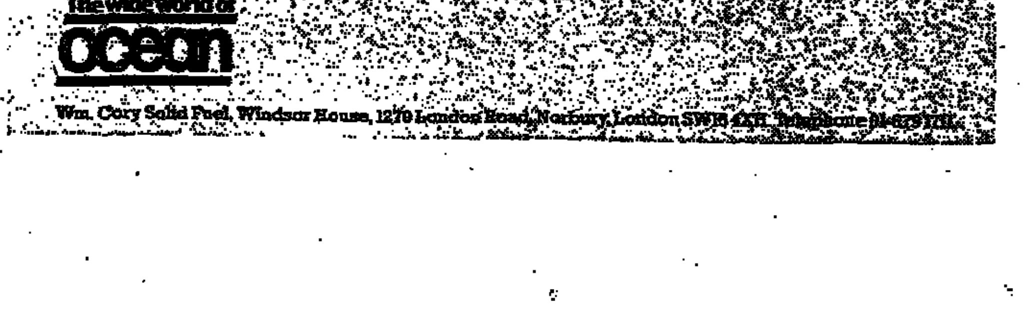
AXIFLO 6000
AXIAL FLOW, SKEWJET BURNER



which achieves new standards of reliability and energy conservation. Full details from:

CEA Combustion Ltd.
Portchester, Hampshire, PO16 9RD, England/Tel: Cosham (0705) 370111 Telex: 86111

Before we sell you solid fuel we help you to study the alternatives.



The wide world of ocean

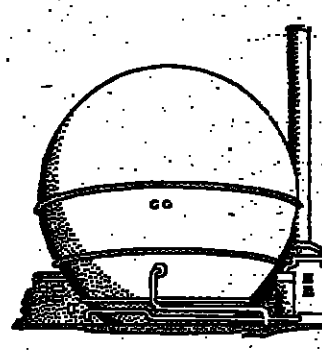
SAVE ENERGY!

York Energy — the Cooling, Cooling with Heat Recovery, or Heating only, Packaged Refrigeration system for Energy Saving environmental control in Commerce and Industry.
York's electrically driven Heat Pump will give continuous hot water equivalent to as much as 4 times the input power.

715 NORTH CIRCULAR ROAD, LONDON NW2 7AU.
TEL: 01-452 3322

YORK BORG WARNER

A chance to get the answers to Europe's energy problems.



Western Europe's energy 'mix' —coal, oil, hydro, nuclear, gas— is a complex and changing one. An era of high-cost energy is looming. How the governments of Europe plan to meet the demand for energy, and at what price, will affect every business and individual in Europe—and many throughout the world.

Planning and decisions therefore call for constant access to a wide range of up-to-date, accurate information on energy programmes and their implications.

This is what the European Energy Report provides.

Produced by The Financial Times Business Information Limited, European Energy Report is an exclusive and informed fortnightly review of all sectors of the European energy mix.

It sets the relevant information in perspective and presents it in a continuous, well referenced record that is essential reading for anyone concerned with the energy or related industries.

Finding accurate information is a little like energy itself: it depends on reliable sources. This time, we think you'll agree you've got the very best on tap.

SUBSCRIPTION FORM

To: Subscriptions Dept. (EER)
The Financial Times Business Information Limited,
Minster House, Arthur Street, London EC4R 9AX.

Please enrol me
☐ for a one year subscription at £165 in the UK (£185 overseas, inc. airmail postage).
☐ for a four month trial subscription at £55 in the UK (£62 overseas, inc. airmail postage).
(please indicate which you prefer)

☐ Cheque enclosed†
The overseas rate is payable at current exchange rates in any currency freely convertible into sterling.
†Please make cheques payable to "Business Information (EER)."

Name ________ BLOCK CAPITALS please
Position ________
Organisation ________
Nature of Business ________
Address ________

Signature ________

Registered Office: Bracken House, 10 Cannon Street, London EC4P 4BY.
Registered in London No. 202281.

COMMODITIES AND AGRICULTURE

French seek potato imports ban

By Richard Mooney

THE FRENCH Association of Fruit and Vegetable Farmers (AFCOFEL) yesterday urged M. Pierre Mehaignerie, the Agriculture Minister, to ban subsidised imports of Greek and Spanish new potatoes as Britain did earlier this week.

It also wants him to press for a blanket EEC ban on these imports.

Spanish suppliers are reported to be receiving a £43 a tonne subsidy while the Greeks are getting about £55 a tonne. The French growers claim imports from these countries have forced their prices down to about 6p a lb.

Britain has been told by the EEC Commission that the ban on potatoes from Greece, which is to join the Community next year and has already signed an association agreement, is illegal. But the Ministry of Agriculture said in London yesterday that this was not accepted.

UK fishermen's fears on catch quota size

By Our Commodities Staff

BRITISH FISHERMEN'S leaders expect other EEC countries to try to claw back most of the rebate Britain is to receive on its budget contribution at the Farm Minister's meeting in Luxembourg next week.

A statement issued by the British Fishing Federation yesterday said the Ministers will be discussing quotas for fish catches in British waters worth about the same as the budget rebate. "The fishermen hiev no doubt that next Monday's fisheries council will mark a determined attempt by the other EEC states to get most of the money back."

It said the other countries had little incentive to push through an early settlement on the common fisheries policy.

It warned that the undermining of the UK market with subsidised imports was gradually weakening the credibility of Britain's claim for fair shares of its own fish.

The federation said with total collapse staring the industry in the face, the immediate need was for extra financial help. It has asked the Government for £50m.

British fishermen will travel to Luxembourg next week to lobby the Ministers.

Brazil abandons cocoa minimum export price

BY OUR COMMODITIES EDITOR

COCOA prices dropped sharply yesterday following official confirmation that Brazil had abandoned its minimu mexport price of 120 cents a pound. On the London futures market the September position closed £31 down at £1,107 a tonne. It was reported that Brazilian cocoa was immediately offered for June shipment at below $1.05 a pound.

The Brazilian move appears to mark the end of attempts by the cocoa producing countries to control world market prices. Last week the Ivory Coast agreed to sell 100,000 tonnes of its surplus cocoa to consumers in one of the biggest ever single deals in th ecocoa market, negotiated by London merchants, J. H. Rayner, part of the Berisford group.

This undermined a plan for Brazil to take Ivory Coast stockpiled cocoa for processing in order to keep it off the market for a longer period.

It was immediately rumoured that Brazil would hit back by abolishing the minimum export price it had set in an effort to halt the slide in world market values. The minimum export price was originally set at 137 cents a pound but then reduced to 120 when it became apparent many producers were selling below this level.

Further talks between producing countries about a Brazilian proposal to create a buffer stock fund, similar to the Bogota group in coffee, failed to make any headway because of disagreement among producers. Hopes are now pinned on informal consultations by the UN Conference on Trade and Development (Unctad) to see whether negotiations can be resumed for a new International Cocoa Agreement, to replace the pact that expired at the end of March.

Meanwhile, the move by Brazil to abandon its minimum price means that the market has reverted to a free-for-all situation. Traders claimed that the prospect of disposing of the Temporao crop, now being harvested, and expectations of rising output in the years ahead forced Brazil to protect its sales outlets. There is little doubt too that the Brazilians were upset by the heavy selling by other producers in recent weeks.

The decline in the market wa sslowed down yesterday by a technical shortage of nearby physical supplies available. This has been caused by long delays in shipments from West African countries, particularly Ghana. It is believed some dealers are having to cover against sales to the Soviet Union, which are due to be shipped this month. However, it was noted that the July position on the futures market remains at a discount to forward months.

Copper and zinc cut

BY OUR COMMODITIES EDITOR

U.S. metals producer Asarco yesterday cut its domestic selling prices of copper and zinc. Copper goes down by 2 cents to 88 cents a pound and zinc by a similar amount to 35.5 cents. Copper Range also cut its price to 88 cents.

The reductions reflect the growing depression in the U.S. base metal markets, which has led to a series of cuts in copper prices. Copper prices on the London Metal Exchange were little changed in quiet trading yesterday but remain at the lowest level since August last year.

LME zinc values were marginally higher, having already discounted the very low level of consumer demand

Latest figures issued by the International Lead and Zinc Study Group show that western world demand for slab zinc during the first quarter fell by 1.3 per cent this year, but it is known that consumption has declined even more since then.

The study group also noted lead consumption declined by 7.7 per cent during the first three months of 1980.

At the Chloride Group annual meeting yesterday it was claimed that the fall in demand for car batteries, a big outlet for lead, had been the most severe drop for over 25 years.

U.S. winter wheat record forecast

BY OUR COMMODITIES STAFF

A RECORD winter wheat crop of 1.76bn bushels this year, compared with 1.6bin bushels last year, was forecast by the U.S. Department of Agriculture in its latest crop esimaes.

The USDA marginally lowered its forecast of world wheat production to a range of 420m ton 455m tonnes, against the 1979/80 crop of 419.6m tonnes. This included the smaller crops expected in the Soviet Union, India and Canada offset to a large degre by bigger output in Western and Eastern Europe.

Total 1980-81 world grain crop at 1,525-1,600m tonnes is still expected to be above the previous year's outturn of 1,521.4m tonnes. However, the USDA lowered its forecast of the Soviet Union crop to a range of 190-220m tonnes. This compared wiht its May forecast of a range of 190-130m tonnes but is wel above the previous year's Russian crop of 179m tonnes. The cutback in the estimate is attributed to excessive rain in parts of the Soviet Union and the lateness of this year's crop.

The USDA lowered its estimate of world oilseed production by 1m to 177.5m tonnes, but this is still well above the 1978/79 of nearly 156m tonnes.

The decline reflected expected cutbacks in soyabean crops in Brazil and Argentina, although the Brazilian production of 15.2m tonnes is some 4m tonnes above the previous year. World soyabean output is put at 94.47m tonnes against 77.85m previously.

Brazil announced yesterday that it was resuming export registrations of soyabean meal and oil. On Tuesday Brazil announced a closure of export registrations, but gave no reason. It was felt that the Brazilians were anxious to avoid over-selling as happened last year when they were forced to import some U.S. soyabeans as a result.

Good sugar crop hopes for Britain

By Our Commodities Staff

HOPES ARE high for a good British sugar beet crop this year. Mr. Peter Dyke, executive director of the British Sugar Corporation, which processes all the country's beet sugar, said yesterday the crop was in good condition and sowings were 10 to 14 days ahead of last year's.

Mr. Dyke, who was attending the Spring Beet Demonstration near Driffield in Yorkshire, said the 1980 crop covered 214,000 hectares of which 99 per cent had been drilled by April 26 and most during the ideal period of mid-March to early April. Between 75 and 80 per cent of the crop had germinated and emerged well, he said.

About 80 per cent of the crop had good potential while the remainder could develop, given good weather for the rest of the season, Mr. Dyke added.

On the world market meanwhile sugar prices continued the rally begun on Wednesday with the October position ending the day £17.575 up at £381.70 a tonne.

Mrs. Thatcher backs NZ lamb plea

By Our Commodities Staff

BEFORE HER departure for the Venice EEC summit Mrs. Thatcher, the British Prime Minister gave renewed assurances that Britain firmly supported New Zealand in its efforts to protect its sheepmeat exports to Europe, Mr. Robert Muldoon, the New Zealand Prime Minister, said in Wellington yesterday.

Mr. Muldoon, who had just arived back from a trip to Europe, said he phoned Mrs. Thatcher on Wednesday night to emphasise his concern over the sheepmeat question.

New Zealand is worried that the proposed EEC sheepmeat regime could harm its lamb exports to Britain and Europe. About 10 per cent of the country's export earnings come from lamb sales to Britain.

Mr. Peter Walker, the UK Agriculture Minister, has claimed that New Zealand has an effective veto on the adoption of the regime as he has made the UK's approval conditional on New Zealand's agreement to voluntary limits on lamb sales and export rebate arrangements.

HIGHLANDS FARMING

A romantic's struggle

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I AM writing this in one of the most idyllic spots on earth: on a fine day. The Hebridean bay is of silver sand, the sea an almost irridescent kaliedoscope between white and deep blue. The grey rocks around the point are nicely patterned with green grass or heather, almost black at this time of year. The distant hills of the mainland frame the whole against a most romantic backdrop.

Behind me on the verges of the shore are the crumbling stone walls of the roofless cabins in which the former inhabitants of this lovely land literally starved, until they either emigrated to the New World, to the towns or went to serve in the navy. Their survivors became crofters, established by a belated form of political conscience in reparation for the clearances which devastated the Highland populations a century and a half ago.

But the tiny crofts were no more than providers of a pittance, and without fishing or other cottage industries could no more keep a people in the bare necessities of modern life than was possible previously. The crofts became an excuse for living here, or turning them into holiday homes or leasing them to some of their stay-at-home neighbours.

But while what one might call the professionals have disappeared their places are being taken by the romantics. At least, that is what I as a professional farmer myself would call them. I am not carried away by the scenery. I know that much of the lush green on the hills is bracken, a sure sign of a mineral soil but a weed most expensive to erradicate.

Source of flukes

I know that the pale green slopes, dotted at this season by cotton grass, is bog of varying depth, providing little grazing but a sure source of flukes and other pests on sheep which can only be expensively controlled. I know that the rainfall here is capricious. Usually more than adequate, but occasionally like this spring so scarce that the stock were difficult to feed.

I am aware that the winters are long and that some feed conservations is essential. But the place to make hay or even silage, is not where 80 to 100 inches of rain fall, even if you can find enough land in one level piece to work a decent set of tackle. So most if not all feed has to be bought and transported by road and steamer at exorbitant expense. Sales are also dependent on expensive transport, and the capriciousness of markets where the buyers are well aware that the vendors cannot take them home again.

Looked at with a cold and calculating eye farming is possible in any part of the world, even here. It is all a matter of scale. It probably requires the output of 2,000 Blackface ewes to maintain a family, or say a farmer and one hired man. They would require some five to eight acres apiece. Blocks of this size are not available, and, thanks to the competition from forestry and sporting too dear to buy. Even if they were, the economics are dubious in the extreme.

A friend of mine took over a Highland sheep farm, only to find that the sheep, bound or "hefted" to the place, were valued at nearly £50 a head, and that this at present interest rates, made nonsense of the proposition from the start. But still he soldiers on and as long as he keeps the numbers up he might get out with his capital intact. But large scale operators seldom try. Those who survive have for the most part come by their spread through inheritance or a strategic marriage. By far the most practical route.

But blind to the voice of reason, even disdaining it, the romantics flock in. Here I must say they are not confined to the Highlands and Islands. They occur everywhere that a house in whatever shape and a piece of land of no particular value for any sort of farming, can be secured.

Their motives are far from commercial, or so they say. They are looking for indoopendence; to escape from the rat race, which enslaves the rest of mankind; to be in safety when the social order crumbles, or the atom bombs fall. But having started at farming's basic levels I can say that there is no rat race more intense than the struggle to make a farm pay if you have insufficient capital to buy the essential fertilisers. Or to secure enough stock to generate enough income to cover your standing charges.

The other day I drove 20 miles along a Highland one-track road, which deteriorated to an unpaved track. At the road endI found a farmhouse, with a garden enclosed by a high stockade to keep out the deer. A handful of goats, a lamb and some hens. The farmer came out for a chat. He was an Englishman, escaping he told me from the self-same rat race. He and his family lived on eggs and fish protein, and vegetables from his garden.

Handful of goats

But although he claimed to be free of the rat race, he was just as dependent on modern society as anyone else. On his child allowances, for part of his cash. On the council's expenditure, such as it was, on the road down which he must take his spare vegetables for sale. For his seed potatoes and for the analysis he told me he had made of his soil before he started. On the market to get rid of the lobsters and winkles he harvested. On the medical services which can be called in to rescue his family if they fall ill.

The plain fact is that whether you yourself are engaged in the competitive rat race, or living on it, as he appeared to be without really meaning to, there is simply no escaping it. No I am wrong—There are still a few idyllic uninhabited Islands off the coast, at least they look idyllic on a fine day.

On one of these our subject could, if he was really determined, set up a subsistence environment—would be dependent on his stock and crops for food and clothing, subject to every pest and disease without the chemicalaids to control them. There would be no schooling for his children, and should one of them have a tummy ache he would risk a perforated appendix, because he had no means to summon medical aid by helicopter. It would not be long before he joined his predecessor emigrants to pastures new, I am sure.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Barely changed in quiet and routine trading on the London Metal Exchange. Forward metal opened at £859—after losing ground in overnight New York markets—and edged up in quiet trading to close the morning Kerb at £864.5, reflecting modest short covering. Thereafter the market held steady to close the late Kerb at £863. Turnover: 21,525 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £841, 41.5 three months £863, 64, 66, 65, 64.5, 64, 63. Cathodes, three months £842. Kerb: Wirebars, three months £863, 62, 62.5, 63. Afternoon: Wirebars, cash £840.5, three months £862, 61, 60, 60.5, 61, 62, 63, 62.5 62. Cathodes, three months £840. Kerb: Wirebars, three months £862, 61, 60.5, 61, 60.5, 61.5, 62.5, 63, 61, 60.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	841-2	−1.25	840.5-1	−.25
3 months	863-.5	......	862-.5	+.75
Settlem't	842	−1	—	
Cathodes				
Cash	......	......	816.5-8.5	−1
3 months	818.9	......	839.5-40	−1.75
Settlem't	841.5	+.5	—	
U.S. Prod.	819	......	*88-90	

TIN—Gained ground following good Commission House buying and covering against physical interest. After opening at £7,260 forward metal moved up to touch £7,385 on the morning Kerb before easing during the afternoon on profit-taking to close the day at £7,350. Turnover: 830 tonnes.

Morning: Standard, cash £7,350, 70, 60, 50, three months £7,330 50, 45, 50, 70, 75, 70, 80. Kerb: Standard, three months £7,385, 70, 75, 65. Afternoon: Standard, three months £7,355. Kerb: Standard, three months £7,380, 50.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7350-60	+75	7325-40	+82.5
3 months	7320-40	+100	7390-410	+75
Settlem't	7360	+70	—	
Standard				
Cash	7350-60	+102	7325-40	+82.5
3 months	7360-90	+100	7355-6	+80.5
Settlem't	7360	+105	—	
Straits E.	$2156	−10	—	
New York	—			

LEAD—Drifted in idle trading to close the afternoon Kerb at £309.5. Turnover: 8,875 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	300-2	−5.5	299-300	−5.5
3 months	310-1	−2.75	308.5-9	−½
S'ment	302	−5	—	
U.S. Spot	......	......	*36-40	......

Morning: Cash £306, 05, 03 02, three months £313, 14, 16, 15, 14, 13, 12, 11. Kerb: Three months £310. Afternoon: Cash £299, three months £311, 10, 09.5, 09, 08.5, 08. Kerb: Three months £308, 09, 10.

ZINC—Moved narrowly in a neglected market before ending the afternoon Kerb at £292.5. Turnover: 3,100 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	282-3	+1	282-4	+.5
3 months	294-.5	+1.75	294-5	+1.25
S'ment	283	+1	—	
Primw'ts	—	......	*35.5	−7.5

Morning: Three months £294, 95, 94.5 94. Kerb: Three months £295. Afternoon: Three months £294. Kerb: Three months £294, 93.5, 94, 93.

ALUMINIUM — Lost ground. After opening around £718 three months dropped to £710 in the morning rings before good fresh buying lifted the price to £715 on the late Kerb. Turnover: 7,550 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	700-1	−11.5	702-3	−8.5
3 months	710-2	−7.5	712-.5	−7.25

Morning: Cash £700, three months £715, 15, 13, 11. Kerb: Three months £711, 10, 11. Afternoon: Cash £702, three months £713, 14, 15, 13, 12. Kerb: Three months £713, 14, 15.

NICKEL—Easier as general and speculative liquidation depressed three months metal from £2,740 to £2,700 prior to a close on the late Kerb of £2,710. Turnover: 396 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2620-40	−50	2600-20	−35
3 months	2710-20	−62.5	2690-700	−42.5

Morning: Three months £2,740, 35, 30, 25, 20, 15. Kerb: Three months £2,720. Afternoon: Three months £2,705, 2,700. Kerb: Three months £2,720, 10, 20.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 7.75p an ounce lower for spot delivery in the London bullion market yesterday at £6.5355. U.S. equivalents of the fixing levels were: Spot $15.3, down 16c; three-month $15.603, down 14.3c; six-month $15.977, down 17.7c; and 12-month $16.748, down 21.6c. The metal opened at £6.6-£6.7 ($15.25-15.55) and closed at £6.6-£6.6 ($15.5-15.9).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	653.35p	−7.75	672.5p	−14.
3 months	678.55p	−10	697.5p	−16.
6 months	702.60p	−110	—	......
12months	746.80p	−11.	—	......

LME—Turnover 111 (208) lots of 10,000 ounces. Morning: Cash 681, 80; three months 686, 88, 89, 85, 88, 87. Kerb: Untraded. Afternoon: Three months 688, 98, Kerb: Three months 688.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Aug. 373, 375, 373-371, 10; Oct. 374, 376, 375-370, 5; Dec. 371, 375, 375-370, 14; Jan. 375, 376, 378-371, 16; March 375, 378, 377-373, 11; May 379, 385, 381-374, 8; Aug. 382, 385, 384-377, 10; Oct. 384, 388, 380-379, 10; Dec. 383, 388, 380, 15, Sales: 100.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). Australian cents per pound. July 460.0, 462.0, 463.0-459.0, 116; Oct. 453.0, 454.0, 457.0-453.5, 157; Dec. 455.0, 455.5, 457.0-455.0, 87; March 455.0, 456.0 458.0-455.0, 56; May 458.0, 459.0, 460.0-358.0, 30; July 459.0, 460.0, 461.0-459.0, 16; Oct. 460.0, 461.0, 461.0-459.0, 10; Dec. 460.0, 462.0, 461.0-459.5, 8. Sales: 490.

COCOA

Futures opened easier but on light buyin ginterest moved to the highs of the day, some £10 above Wednesday's close. The Brazilian announcement of minimum price abolishment sparked off a spate of selling which cut levels by £40, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
July	1081-83	−36.5	1132-1080
Sep.	1106-08	−31.0	1150-01
Dec.	1152-53	−30.5	1191-45
March	1194-95	−33.0	1235-1192
May	1220-22	−32.5	1254-22
July	1240-50	−32.5	1270-68
Sept.	1260-80	−32.5	—

Sales: 6,587 (3,077) lots of 10 tonnes.

COFFEE

Robustas fluctuated somewhat nervously around the previous closing levels until drifting lower on commisison house selling, but by mid-day values returned to opening levels in mixed activity. The easier tendency continued throughout the afternoon and values finished around the days lows, reports Drexel Burnham Lambert.

COFFEE	yesterday's Close	+ or —	Business Done
	£ per tonne		
July	1645-49	−13.5	1662-45
Sept.	1796-99	−22.0	1723-93
Nov	1716-20	−24.0	1745-15
January	1727-32	−23.0	1755-27
March	1703-10	−10.0	1720-08
May	1690-00	−12.5	1705
July	1670-05	−17.0	—

Sales: 3,985 (4,154) lots of 5 tonnes.

ICS Indicator prices for June 11 (U.S. cents per pound): Other Mild Arabicas 190.00 (190.33). Robustas ICA 1976 176.25 (same). ICA 1968 178.50 (same). Unwashed Arabicas 209.50 (same). Comp. daily ICA 1968 193.00 (193.22).

GRAINS

LONDON GRAIN FUTURES—Trading commenced 20p higher on wheat on good commercial buying support. Volume was generally thin with barley also remaining steady, the main sellers only being wheat/barley switches. Business was quiet and values closed steady, 30p-35p higher, reports Acli.

	WHEAT		BARLEY	
Mnth	Yesterday close	+ or —	Yesterday close	+ or —
Sept.	95.05	+0.55	91.90	+0.30
Nov.	98.90	+0.45	95.80	+0.30
Jan.	102.80	+0.40	99.65	+0.35
Mar.	106.20	+0.45	102.95	+0.30
May.	109.70	+0.50	106.10	+0.35

Business done—Wheat: Sept. 95.00-94.85, Nov. 98.90-98.65, Jan. 102.80-102.65, March 106.20-106.05, May 109.70-109.50. Sales 144 lots of 100 tonnes. Barley: Sept. 91.95-91.70, Nov. 95.85-95.55, Jan. 99.65-99.55, March 102.90-102.90. May 106.10-106.00. Sales 76 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, June 92.75, July 93.25, Aug. 94.50 transhipment East Coast, sellers. Maize: French June 118.50, July 119.50 East Coast, sellers. S. African Yellow June-July 77.00 seller. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 90.00, S. West 90.80, W. Midlands 93.80, N. West 93.50.

*

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £4.50-£5.40, codlings £2.60-£3.60. Large haddock £4.80, medium £4.00-£4.20, small £1.80-£3.00. Large plaice £4.60-£5.00, medium £3.20-£5.00, best small £3.20-£4.40. Skinned dogfish (large) £9.00, medium £3.50. Lemon soles (large) £7.00, medium £8.50. Saithe £2.00-£2.60.

RUBBER

The London physical market opened quiet, with little throughout the day, closing an an uncertain note. Lewis and Peat reported a Malaysian go-down price of 296.5 (300) cents a kg (buyer, July).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
July	60.40-60.50	61.40-61.60	60.50
Aug.	61.30-61.80	62.40-62.70	60.90
Jly.-Sept	61.50-61.70	62.40-62.60	61.70-60.90
Oct.-Dec	64.70-64.90	65.60-65.70	65.80-64.30
Jan-Mar	67.70-67.80	68.60-68.70	68.30-67.80
Apr-Jne	70.50-70.60	71.20-71.40	70.70-70.30
Jly.-Sept	73.10-73.30	73.80-74.00	—
Oct-Dec	75.60-75.80	76.30-76.40	—
Jan-Mar	78.10-78.30	78.60-78.70	—

Sales: 230 (161) at 15 tonnes, 15 (3) at 5 tonnes.

Physical closing prices (buyer) were: Spot 59.50p (61.00p); July 63.00p (63.50p); August 63.75p (64.25p).

SOYABEAN MEAL

The London market opened around 50p easier on stronger sterling, reports T. G. Roddick, and remained dull and featureless throughout the day to close on the lows.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	95.00-99.00	−1.75	—
August	101.10-01.5	−1.10	101.70
October	101.30-01.7	−1.20	102.00-100.00
December	104.50-04.9	−1.05	105.70-105.00
February	107.80-08.2	−0.90	108.50
April	101.10-11.0	−0.25	111.00-110.80
June	117.00-18.0	−0.50	

Sales: 11 (8) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £305.00 (£285.00) a tonne cif for June-July shipment. White sugar daily price was £320.00 (£310.00).

The market opened around overnight levels but rumours of further purchases by Venezuela and the USSR stimulated short-covering and gains of some £10 wer recorded over the day, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Aug.	382.00-83.00	344.75-45.15	383.50-45.00
Oct.	381.50-81.30	364.00-64.25	382.75-64.00

NUMBER 4 CONTRACT—Close (in order buyer, seller only). Aug. 356.00, 356.50; Oct. 369.50, 369.75; Jan. 383.00, 383.50; March 390.05, 390.15; May 388.00, 386.50; Aug. 370.00, 375.00; Oct. 368.00, 374.00. Sales 4,353 (4,348).

Tate and Lyle ex-refinery price for granulated basis white sugar was £324.7 (same) a tonne for home trade and £431.00 (£416.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for June 11: Daily price 28.01 (27.99); 15-day average 31.34 (31.51).

Sales: 7,545 (6,605) lots of 50 tonnes.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 57 tonnes, bringing the total for the week so far to 233 tonnes. Very small uptake continued, with operators still nervous about developments. Trading was confined to minor dealings in specialist American type qualities.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on June 12. GB—Cattle 81.63p per kg liveweight (−1.25). UK—Sheep 148.82p per kg edcw (−8.88). GB—Pigs 68.07p per kg liveweight (−1.57).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 67.0 to 72.0; Eire hindquarters 82.0 to 88.0, forequarters 42.0 to 46.0. Veal: Dutch hinds and ends 100.0 to 106.0. Lamb: English small, new season, 68.0 to 74.0; imported frozen: New Zealand PL 59.5 to 60.0, PM 57.0 to 57.5. Pork: English, under 100 lb 42.0 to 50.0, 100-120 lb 40.0 to 47.5, 120-160 lb 38.0 to 45.5.

PRICE CHANGES

In tonnes unless otherwise stated.

	June 12 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1720/1740	......	$1820/50
Copper			
Cash w'bar	£840.75	−0.25	£878
3 mths	£862.25	+0.75	£904.25
Cash Cathode	£817.5	−1	£862
3 mths	£839.75	−1.75	£884
Gold troy oz	$591	−11	$518.5
Lead cash	£299.5	−3.5	£329.5
3 mths	£308.75	−2	£340
Nickel	£3,248.35	......	£3,335
Freemkt(cif (lb)	270/300c	......	295/325c
Platin'mtr'y oz	£182.50	......	£189/195
Free mkt	£268.70	−8.7	£248.25
Quicksilver	$375/385	−5	$580/590
Silver troy oz	653.55p	−7.75	556.90p
3 months	678.55p	−10	576.20p
Tin Cash	£7,332.5	−82.5	£7,445
3 mths	£7,355.5	−88.5	£7,462.5
Tungsten22.04lb	$141.73	......	$144.50
Wolfrm 22.04lbs	$158/145	......	$138/145
Zinc cash	£283	+0.50	£303
3 months	£294.5	+1.25	£314.75
Producers	$780	......	$780/825
Oils			
Coconut (Phil)	$655u	+12.50	$635
Groundnut	‡		
Linseed Crude	£391		
Palm Malayan	$562.50w	+2.5	$585
Seeds			
Copra Philip	$425	+5	$400
Soyabean (U.S.)	$266.25	+1.50	$265.60
Grains			
Barley Futures	£95.80	+0.30	£92.30
Maize			
French No3AM	‡	‡	‡
Wheat			
No. 1 Red Spg.	‡		‡
No2HardWint.	‡		‡
Eng. Milling	‡		‡
Other commodities			
Cocoa ship't	£1,165	−35	£1,210
Future Sept.	£1,107	−31	£1,174
Coffee Ft'Sept.	£1697.5	−22	£1,748.5
Cotton A.Index	83.90c		89.10c
Rubber (kilo)	59.50p	−1.5	59.25p
Sugar (Raw)	£305	+20	£350
Wooltp's 64s kl	293p kilo	−1	294p kilo

u July-Aug. s June-July. W Aug. x July. z Indicator. § Buyer. ‡ Per 276-lb flask.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Jaffa: Valencia Latas 2.80-4.00; Egyptian: Valencia Latas 75/125's 2.00; Moroccan: 54/113's 3.40-3.50; Cyprus: Valencia Latas 3.60-4.50; Arizona: Valencia Latas 72/113's 3.60-5.60; Outspan: Navels 3.80-4.45. Lemons—Italian: 100/150's 3.00-4.00; Spania: Trays 25/45's 1.80-2.20, boxes 4.80-5.80. Grapefruit—Jaffa: Boxes 40/56's 5.00-5.50; Outspan: 3.95-4.75. Apples—New Zealand: Sturmer Pippins 8.00, Red Delicious 138's 9.00-9.20, Richared 7.70-8.20, Granny Smith 8.00-8.20; Tasmania: Jonathans 8.00-8.30, Golden Delicious 7.30-7.50, Crofton 8.50, Sturmer Pippins 8.00-8.20; S. African: Golden Delicious 9.60-10.00, Starking 7.60-8.60, Granny Smith 8.00-8.20; Argentine: Red Delicious 8.80; Dutch: 22 lb Golden Delicious 2.40; French: 40-lb boxes, Golden Delicious 138/198's 5.80-6.50, 20 lb 3.00-3.20; Italian: Jonathans/Romes 40 lb 5.40-6.00, Winesaps 5.20. Pears—S. African: Approx. 35 lb Packham's 8.20-8.00, Winter Nelis 6.30-7.50; Italian: Passacrassane 12 lb 2.00; Victorian: Josephines 9.50-10.00, Packham's 9.50-10.50, Winter Nelis 8.00-8.50. Peaches—Spanish: Yellow flesh 3.00-5.00. Apricots—Spanish: 2.40-3.00. Grapes—Victorian: Ohanes 22 lb 18.00; Chilean: Emperor 8.00; Argentine: Almeria 7.80. Strawberries—Per punnet, Italian: 0.20-0.25; Spanish: 0.20; American: 0.90. Cherries—Per pound, French: 0.50-0.70; American: 0.90; Lebanese: 0.70. Melons—Israeli: Ogen 4.50; Spanish: Galia 5/6's 3.00, Ogen 3.50-4.00, Mariana 6 kg 2.40; Israeli: Yellow 5.00. Watermelons—Israeli: 5.00; Spanish: 3.20-3.30. Avocados—S. African: 3.00-3.40. Bananas—Jamaican: 28 lb, per pound 0.18. Tomatoes—Dutch: 2.60-2.80; Guernsey: 2.60-3.20; Jersey: 2.80; Albanian: 2.20. Onions—Dutch: 6.50; Spanish: 6.50; Texas: 7.50; Moroccan: 6.50. Potatoes—Cyprus: New crop 20 kg 3.80; Jersey: 3.85-4.15; French: Dukes 2.70, Princes 2.40; Greek: 3.00; Valencia: 2.50. Carrots—French: 22 lb 3.00, 26 lb 3.60; Italian: 3.00; Cyprus: 3.00. Beetroots—Cyprus: New crop, approx. 28 lb 2.80-3.00. Cabbages—Dutch: White 2.50-2.80. Courgettes—French: Per pound 0.30. Plums—Spanish: Red per pound 0.50.

English Produce: Potatoes—Per bag 2.00-2.30. Mushrooms—Per pound 0.60-0.70. Apples—Per pound Bramley 0.11-0.19. Strawberries—English per ½ lb 0.15-0.20. Cabbages—Per bag 1.00-1.20. Cauliflowers—Per 12's English 3.00-4.50. Peas—Per pound 0.20. Broad Beans—Per pound 0.09. Cucumbers—Trays 16/20's 1.90-2.20. Tomatoes—Per 12 lb 2.60-3.00. Lettuce—Per 12, round 0.80-1.00, Cos 1.20, Webbs 1.20. Rhubarb—Per pound, outdoor 0.06. Onions—Per bag 7.00. Celery—English 12/30's 3.00-3.60. Asparagus—Per pound 0.80-1.00. Gooseberries—Per pound 0.25.

AMERICAN MARKETS

NEW YORK, June 12.

COCOA PRICES dropped sharply on news that Brazil abandoned her export pricing structure. Coffee prices backed off on reports of hot weather in the Parana region. Sugar advanced sharply on unconfirmed reports that the Dominican Republic may defaut on its sale of 150,000 tonnes. The livestock complex finished mostly lower as doubts appeared about continued good demand. Gold staged a major rally on commission house buying and short-covering. Silver showed little change. Cotton was locked into a narrow range. Copper followed the gold rally and ran into trade selling at the best levels. Maize closed mixed while wheat was fractionally higher and soyabeans finished moderately lower, reported Heinold.

Copper—June 85.45 (83.75), July 85.80-85.90 (84.20), Aug. 86.60, Sept. 87.25-87.40, Dec. 89.20-89.50, Jan. 90.10, March 91.50, May 92.90, July 94.30, Sept. 95.70, Dec. 97.80, Jan. 98.50, March 99.90.

Potatoes (round whites)—Nov. 74.5 (73.1), March 87.8-88.3 (85.6), April 101.7-101.9. Sales: 337.

Sugar—No. 11: July 34.25-34.50 (32.17), Sept. 34.98 (33.48), Oct. 35.98, Jan. 36.50, March 37.88, May 37.40-37.48, July 38.30-38.40, Sept. 35.50, Oct. 35.00.

Tin—783.00-794.00 asked (775.00-784.00).

CHICAGO, June 12.

Lard—Chicago loose 17.00 (same). New York prime steam 17.00 (same).

Chicago Imm Gold—June 603.0 (588.0), July 608.5 (592.0), Sept. 618.0-614.5, Oct. 620.5, Dec. 630.5-633.0, Jan. 637.0, March 650.0-649.0, April 655.0.

Live Cattle—June 66.95-67.10 (67.15), Aug. 66.40-66.55 (67.05), Oct. 65.05-65.15, Dec. 66.50-66.35, Jan. 67.12, Feb. 67.65, April 68.10-68.20.

Live Hogs—June 35.15 (35.55), July 37.35-37.25 (37.67), Aug. 37.05-37.15, Oct. 37.70-37.75, Dec. 40.55-40.75, Feb. 42.90-42.95, April 42.05, June 44.25, July 45.70.

‡‡Maize—July 277¼-277½ (276¾), Sept. 284-284½ (283½), Dec. 290¾-291, March 303, May 310½, July 316¾.

Pork Bellies—July 30.75-30.40 (30.45), Aug. 30.30-30.45 (30.80), Feb. 46.50-46.35, March 46.60-46.35, May 47.32-47.50, July 47.85-48.45, Aug. 48.10.

†Soyabeans—July 623-622½ (625¾), Aug. 630¾-630 (632¾), Sept. 638½, Nov. 652¼-652, Jan. 666¾-666½, March 682, May 694, July 703.

‖Soyabean Meal—July 170.4-170.3 (171.6), Aug. 173.4-173.2 (174.5), Sept. 176.1-176.2, Oct. 178.8-178.9, Dec. 183.2-183.5, Jan. 185.6-185.8, March 189.2, May 193.0-194.0, July 197.3-198.0, Aug. —.

Soyabean Oil — July 21.54-21.56 (21.84), Aug. 21.82-21.81 (21.89), Sept. 22.00, Oct. 22.25, Dec. 22.60-22.55, Jan. 22.70-22.75, March 23.05, May 23.35-23.40, July 23.60-23.65, Aug. 23.70-23.80.

†Wheat—July 402½-403½ (400¾), Sept. 415-414½ (413¾), Dec. 433½-433, March 449-449½, May 456-455½, July 459½.

WINNIPEG, June 12. §Barley—July 131.60 (131.40), Oct. 123.00 (122.80), Dec. 122.10, March 121.70, May 122.10.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, June 12.

Wheat—U.S. No. 2 Red Winter July $174, Aug. $176, Sept. $179. U.S. No. 2 Northern Spring, 14 per cent, June $195, July $194, Aug. $196, Sept. $198, Oct. $200, Nov. $204.50, Dec. $210. Rest unquoted.

Maize—Spot $144.50, afloat $141, June $139.50, July $139, Aug. $139.50, Sept. $140.50, Oct.-Dec. $144.50, Jan.-March $153.

Barley—June $143.50, July $145.75, Aug. $148.

Soyabeans—U.S. Two Yellow Gulfports June $257.50, July $259.50, Aug. $261.50, Sept. $265.50, Oct.-Nov. $267.75, Dec. $272.75, Jan. $276.75, Feb. $282.75, March $285.25. Brazil Yellow Faq. afloat $257.

Soyameal—44 per cent protein U.S. afloat $216, June $215, July $217.50, Aug. $219, Sept. $223, Nov.-March $238.50. Brazil Pellets afloat $220.50, June $221, July $222, Aug. $225, Sept. $229, Oct. $234, Nov.-March $248.50.

PARIS, June 12.

Cocoa (FFr per 100 kilos)—July 1115, Sept. 1080-1085, Dec. 1105-1110, March 1141-1145, May 1150, July 1160-1185. Sales at call 5.

Sugar (FFr per 100 kilos)—July 3140-3200, Aug. 3265-3260, Oct. 3425-3430, Nov. 3400, Dec. 3540-3550, March 3695, May 3725. Sales at call 5.

INDICES

FINANCIAL TIMES

Jun 11	Jun 10	M'nth ago	Year ago
265.45	266.71	273.16	298.39

(Base: July 1, 1952=100)

MOODY'S

Jun 10	June 11	M'nth ago	Year ago
1126.2	1120.5	1136.6	1091.9

(December 31, 1931=100)

DOW JONES

Dow Jones	June 11	June 10	Month ago	Year ago
Spot	429.66	425.47	441.60	409.33
F'tur's	440.54	438.18	443.15	418.27

(Average 1924-25-26=100)

REUTERS

June 12	June 11	M'nth ago	Year ago
1670.4	1663.7	1722.0	1633.5

(Base: September 18, 1931=100)

HIDES—Manchester: Market stable. Second clears. Ox 31-35.5 kilos, 28p a kilo (27.5 a kilo); 26-30.5 kilos, 30.8p (30.2p); 22-25.5 kilos, 35.9p (35.1p). Light cows 33.2p a kilo (withdrawn).

● NEW DELHI — India's foodgrain production during the agriculture year to end of June may fall by over 15m tonnes from last year's 131m, Mr. R. V. Swaminathan, Minister of State for Agriculture, told parliament.

He said 14 to 15 tonnes of foodgrain and some production shortfall in the current summer harvest is expected, reports Reuter.

I.G. Index Limited 01-351 3466. October Sugar 381-383
29 Lamont Road, London SW10 0HS.
1. Tax free trading on commodity futures.
2. The commodity futures market for the small investor.

CORAL INDEX: Close 446-451 (+3)

COMPANY NOTICE

AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF PREFERENCE STOCK WARRANTS TO BEARER

PAYMENT OF COUPON NO. 65

With reference to the notice of declaration of dividend advertised in the Press on 5th June, 1980, the following information is published for the guidance of holders of stock warrants to bearer.

The dividend of 3 cents per unit of stock was declared in South African currency. South African non-resident shareholders' tax at 0.45 cents per unit of stock will be deducted from the dividend payable in respect of all stock warrant coupons leaving a net dividend of 2.55 cents per unit of stock.

The dividend on bearer stock will be paid on or after 15th August, 1980 against surrender of coupon No. 65 detached from the stock warrants to bearer as under:—

(a) At the office of the following continental paying agent
Credit du Nord
6-8 Boulevard Haussmann
Paris 9e
In respect of coupons lodged at the office of the continental paying agent the dividend payment will be made in South African currency to an authorised dealer in exchange in the Republic of South Africa nominated by the continental paying agent. Instructions regarding disposal of the proceeds of the payment so made must be given to such authorised dealer by the continental paying agent concerned.

(b) At the London Bearer Reception Office of Charter Consolidated Limited, 40 Holborn Viaduct, London EC1P 1AJ. Unless persons depositing coupons at such office request payment in rand to an address in the Republic of South Africa, payment will be made in United Kingdom currency either:
(i) in respect of coupons lodged prior to 1st August, 1980, at the United Kingdom currency equivalent of the rand currency value of their dividend on 5th August, 1980 or:
(ii) in respect of coupons lodged during the period 1st August, 1980 to 6th August, 1980 both days inclusive at the United Kingdom currency equivalent of the rand currency value of their dividend on 11th August, 1980 or:
(iii) in respect of coupons lodged on or after 7th August, 1980 at the prevailing rate of exchange on the day the proceeds are remitted through an authorised dealer in exchange in Johannesburg to the London Bearer Reception Office.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10 a.m. and 3 p.m.

United Kingdom income tax will be deducted from payments to any person in the United Kingdom in respect of coupons deposited at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue non-residence declaration forms. Where such deduction is made, the net amount of the dividend will be the United Kingdom currency equivalent of 2.10 cents per unit of stock in terms of sub-paragraph (b) above arrived at as under:

	South African Currency Cents per Unit of Stock
Amount of dividend declared	3.00
Less: South African Non-Resident Shareholders' tax at 15%	0.45
	2.55
Less: U.K. income tax at 15% of the gross amount of the dividend of 3 cents	0.45
	2.10

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries
J. C. Greensmith

London Office:
40 Holborn Viaduct
EC1P 1AJ
10th June, 1980

Note:
The Company has been requested by the Commissioners of Inland Revenue to state: Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 15% instead of at the basic rate of 30% represent an allowance of credit at the rate of 15%.

Fresh rise in equities again accentuated by shortage of stock—30-share index up 1.6 more at 448.5

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
June 2	June 12	June 13	June 23
June 16	June 26	June 27	July 7
June 30	July 10	July 11	July 21

* "New time" dealings may take place from 9 am two business days earlier.

The recent strong upward movement in equity markets showed no signs of abating yesterday. The Prime Minister's speech emphasising the Government's resolve to adhere to its strict monetary control policies failed to dampen fresh buying enthusiasm which resulted in a fairly widespread list of gains. Trading conditions in Gilt-edged remained quiet, but the trend here was also to higher levels and long-dated issues finished the session with rises of ½ and occasionally more.

Overall activity in equities remained at a fairly low ebb and shortage of stock again played an important part in the day's advance. This was particularly evident in the Property sector where closing gains were numerous and well above the average. Trading in some of the industrial leaders became a little more two-way, but profit-taking was well absorbed and the majority of quotations ended only slightly below the day's best. The FT 30-share index advanced 1.6 more to 448.5, making a rise of 32.6 so far on the Account which ends today.

Noteworthy movements in the leaders included **Metal Box** which responded afresh following comments on the preliminary figures, while firm features were fairly numerous throughout the sectors. Dealings restarted in **News International** at 190p, compared with the suspension price of 163p, following the capital proposals. **South West Consolidated Minerals**, Wednesday's newcomer which failed to come up to stag's expectations, traded quietly and drifted off on lack of support to close at 46p compared with the issue price of 50p.

Firmer conditions returned to British Funds yesterday although the volume of business was relatively small. The further call of £30 per cent due today on Exchequer 13¼ per cent 1992, ½ harder at £20½, was possibly a restraining influence and the market was also waiting for the Government broker to reactivate the medium long tap Exchequer 13¼ per cent 1994 £40 paid, last dealt in a small way on Tuesday. However, closing improvements in the mediums and longs ranged to ½, while the shorts closed 1/16 to ⅛ below the day's best but still up to ⅛ better.

Traded options continued to attract an active business and 1,539 deals were completed. Racal, annual results due next Thursday, were dealt 216 times, while BP and Shell attracted 213 and 140 trades respectively.

Bank of Scotland up

Buyers came again for home banks in the belief that a further prolonged period of record interest rates will keep profits rising. **Bank of Scotland** were particularly favoured and closed 12 to the good at 265p, but other major clearers closed a few pence below the best. **Lloyds** rose 5 to 315p, after 318p, and **Midland** ended 3 dearer at 355p, after 358p. Merchant banks were featured by a rise of 4 to 94p in **Hill Samuel** following the preliminary results, while renewed investment support lifted **Hambros** 12 to 418p.

Leading Breweries again made a firm showing although the tone softened towards the close. **Bass** ended 2 better at 222p, after 223p, while **Arthur Guinness**, in front of today's interim results, rose to 98p before settling for a net gain of 2 at 96p. Among regional issues, **Mansfield** added a couple of pence to 144p following the pleasing full-year profits, while **Belhaven** closed a penny better at 30p on the disposal of its Bermudan subsidiaries for £0.7m. Good support was noted for **Distillers**, 3 up at 201p.

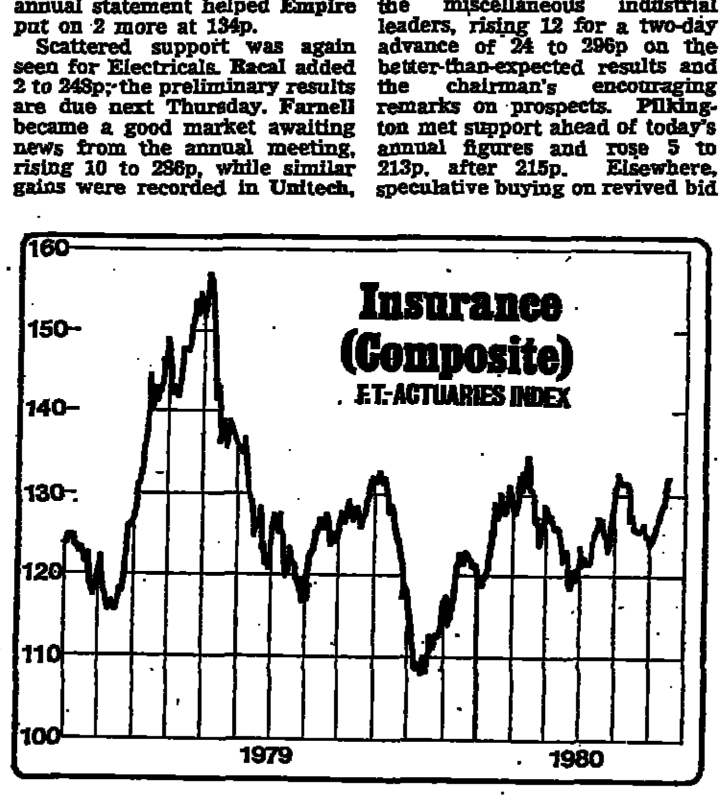
In firm Buildings, **Redland** were notable for a gain of 6 at 166p, while **Barratt Developments** put on 4 more to 111p. **Wimpey**, a dull market of late on adverse Press comment, rallied a penny to 64p, while speculative interest lifted **SGB** 6 to 150p and **Higgs and Hill** 5 to 50p. Renewed speculative buying was noted for selected Timber issues, **Montague L. Meyer** adding 3 to 101p and **Mallinson-Denny** 2 to 68p.

ICI touched 372p before easing in the absence of new-time interest to close a couple of pence up at 370p.

Kitchen Queen improve

Leading Stores closed with modest rises after attracting a better two-way business than of late. **Burton** gained 3 at 123p, while **GUS A** added 4 more to 408p. **Mothercare**, 242p, and **British Home**, 280p, both firmed 2, but **House of Fraser** moved against the trend and shed a couple of pence to 134p. Elsewhere, revived speculative buying was noted for **Polly Peck**, 6 up at 65p, while **Currys** picked up 4 more at 183p. News that the sale of the company's retail outlets has gone through lifted recently dull **Kitchen Queen** 2 at 11p. **Lee Cooper** found fresh support and jumped 22 to 205p, but **Combined English** eased 2 to 35p on profit-taking. **Harris Queensway** hardened 3 to 166p, while further consideration of the chairman's annual statement helped **Empire** put on 2 more at 134p.

Scattered support was again seen for Electricals. **Racal** added 2 to 248p; the preliminary results are due next Thursday. **Farnell** became a good market awaiting news from the annual meeting, rising 10 to 286p, while similar gains were recorded in **Unitech**, 288p, **Standard Telephones**, 320p, and **Electrocomponents**, 533p. The reduced annual earnings and dividend from **Chloride** came as no surprise and the close was unchanged at 47p.



The Engineering leaders continued to make steady progress. Helped by the group's opening on Wednesday of a £48m highly automated rolling mill which will increase annual capacity from 425,000 to 600,000 tonnes, **GKN** found renewed support and touched 240p before closing 4 up on balance at 239p. **Tubes** added a similar amount to 268p, while **Vickers** hardened the turn to 127p, after 128p. Elsewhere, demand ahead of next Tuesday's annual figures prompted a rise of 4 to 72p in **GEI International**.

Metal Box up again

In Foods, **Northern** rose 3 to 133p, after 134p, in response to the excellent interim results, while **Cadbury Schweppes** rallied 2 to 57½p. Elsewhere, **Carr's Milling** became prominent, rising 11 to 81p in a thin market as speculative interest revived.

Leading Hotels and Caterers began the session firmly, but eased towards the close. **Brent Walker** added 2 to 74p on the good preliminary profits and increased dividend.

Metal Box stood out among the miscellaneous industrial leaders, rising 12 for a two-day advance of 24 to 296p on the better-than-expected results and the chairman's encouraging remarks on prospects. **Pilkington** met support ahead of today's annual figures and rose 5 to 213p, after 215p. Elsewhere, speculative buying on revived bid hopes helped **Sharna Ware** add 10 to 166p, while demand ahead of Monday's preliminary figures lifted **National Carbonising** 8 to 140p. The sharply higher profits and proposed £800,000 rights issue prompted a rise of 10 to 335p in **Applied Computers**, while **Valor** gained 4 to 57p, also after trading news. **UKO International** responded to the results with a rise of 9 to 123p and **European Ferries** reflected investment support with a gain of 4 to 154p. Still drawing strength from the bumper profits and proposed 100 per cent scrip-issue, **Continuous Stationery** added 4 more to 56p, while **De La Rue** closed 20 higher at 690p, after 695p. **Thomas French**, initially better at 122p, fell on mild disappointment with the interim figures and closed 2 down on balance at 115p.

Among leisure issues, **Management Agency and Music** firmed 4 to 136p; the company has entered the fast-food catering business through a franchise agreement with Burger King. Elsewhere, **Coral Leisure** rose 3½ to 67½p, after 69p, following a squeeze on bear positions.

Dealings in **Godfrey Davis** were suspended at 167p following the surprise news that the sale of its car-hire business to Europcar is to be referred to the Monopolies Commission; dealings in the shares are expected to resume today. Components were often firmer; **Dowty** added 4 to 192p, while increased far-eastern support was seen for **Dunlop**, 2 dearer at 73p. **Flight Refuelling** rose another 6 to 305p awaiting news from the annual meeting.

Dealings were resumed in **News International** following the capital reorganisation proposals from Mr. Rupert Murdoch's News Corporation and the close was 190p, which compares with the May 19 suspension price of 163p. Elsewhere in firm newspapers, **Associated** continued to benefit from its interests in the Bruce gas field and rose 15 to 305p. Among advertising issues, **Saatchi and Saatchi** pleased with the increased annual profits and dividend and rose 11 to 183p, while demand was also shown for **Mills and Allen**, a similar amount up at 273p.

Undeterred by the less favourable outlook for lower interest rates, buyers made their presence felt in the Property sector where widespread and sometimes useful gains were exaggerated by stock shortages. **Land Securities** featured strongly in the leaders, rising 7 to 319p with the new nil-paid shares putting on 7½ to 57½p premium. **MEPC** gained 6 to 212p and **Great Portland Estates** 8 to 246p, while rises of around 10 were marked against **Haslemere Estates**, 330p, and **Stock Conversion**, 396p.

Berkeley Ex. jump

Oils continued in cautious vein in the wake of the none-too-clear result of the OPEC meeting in Algiers. An attempted rally from lower opening levels ran out of steam and prices drifted back to close at the day's lowest. **British Petroleum** finished 4 cheaper at 368p and **Shell** 2 off at 402p. But **Ultramar** improved 6 to 366p, after 370p. Elsewhere, buying ahead of the annual results due soon helped **IC Gas** to add 12 for a three-day gain of 36 to 886p, while a late speculative burst lifted **Berkeley Exploration** 26 to 228p, after 232p. **Aran** put on 16 to 428p and **Silkolene**, still reflecting a recent investment recommendation, firmed 9 more to 182p. A fair amount of interest was shown in **Carless Capel** which added 4 to 132p ex rights; the new nil-paid shares opened at 37p premium and touched 38p premium before closing at 35p premium.

Among irregular Shippings, **British and Commonwealth** rose 3 to 300p in response to the increased full-year profits and dividend. Support was again evident for **James Fisher**, 10 to the good at 187p, but **P and O Deferred** eased 3 to 116p on reflection of the chairman's cautious remarks on Wednesday.

Textiles were featured by **Dawson International**, 6 up at 101p ahead of next Monday's announcement of the preliminary results.

Samantha up again

Australians again provided most of the excitement in mining markets. Further consideration of the deal with Esso Australia resulted in renewed speculative buying of **Samantha Exploration**, 10 up at 136p, and **Samson Exploration**, 8 better at 96p.

The remaining "down-under" gold issues tended to drift on light profit-taking in the wake of the lower bullion price. **Gold Mines of Kalgoorlie** dipped 6 to 350p. **Poseidon** a like amount to 172p and **North Kalgurli** 2 to 79p.

Other Australians were mixed. In the diamond exploration stocks, **Leichardt** moved up 10 to 280p following news that the company has found an 8.6 carat gem diamond in its Reads Drift prospect in Cape Province, South Africa. Leading base-metal producers showed **Western Mining** 11 off at 239p.

South African Golds staged a minor rally despite the uncertain trend in the bullion market — gold was finally $11 down at $591 an ounce.

Bear closing and small-scale fresh buying from local and overseas sources moved prices higher during the morning but they subsequently turned easier to close only fractionally up on balance.

South African Financials were featured by **General Mining** which rose sharply for the third successive day to close 75 higher at 935p following sizeable and peristent buying from Johannesburg.

In generally subdued London Financials, **Rio Tinto-Zinc** were aggressively bought during the morning and touched 405p before reacting to close a net 5 better at 398p.

FINANCIAL TIMES STOCK INDICES

—	June 12	June 11	June 10	June 9	June 6	June 5	A year ago
Government Secs.	68.28	68.05	68.17	68.22	67.73	67.75	70.44
Fixed Interest	68.81	68.64	68.61	68.76	68.42	68.38	72.44
Industrial	448.5	446.9	440.3	434.4	428.5	425.4	474.2
Gold Mines	329.0	327.4	331.3	339.9	333.7	337.2	177.2
Ord. Div. Yield	8.00	8.03	8.14	8.24	8.37	8.42	6.21
Earnings, Yld. % (full)	19.28	19.34	19.61	19.86	20.18	20.42	16.34
P/E Ratio (net) (*)	6.31	6.29	6.20	6.12	6.03	5.96	7.82
Total bargains	21,166	18,003	20,240	20,047	17,758	17,044	—
Equity turnover £m	—	95.59	120.98	93.72	96.18	121.76	104.57
Equity bargains total	—	14,017	14,509	13,999	12,661	14,864	16,298

10 am 449.2. 11 am 449.5. Noon 449.8. 1 pm 450.1.
2 pm 450.9. 3 pm 450.8.
Latest Index 01-248 8026.
*Nil=5.90.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	65.85 (7/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (15/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	June 11	June 11
Daily		
Gilt Edged	116.5	123.6
Industrials	117.3	126.1
Speculative	38.4	45.6
Totals	82.6	88.8
5-day Avge.		
Gilt Edged	120.3	117.8
Industrials	108.5	104.1
Speculative	30.6	32.2
Totals	80.2	78.0

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (190)

BRITISH FUNDS (15)
INTERNATIONAL BANK (1)
CORPORATION LOANS (1)
COMMONWEALTH AND AFRICAN LOANS (2)
AMERICANS (6)
BANKS (4)
BEERS (3)
BUILDINGS (2)
DRAPERY AND STORES (5)
ELECTRICALS (4)
ENGINEERING (4)
FOODS (1)
HOTELS (2)
INDUSTRIALS (15)
INSURANCE (9)
MOTORS (1)
NEWSPAPERS (1)
PAPER (1)
PROPERTY (5)
SHIPPING (1)
TRUSTS (10)
OIL AND GAS (5)
OVERSEAS TRADERS (2)
MINES (2)

NEW LOWS (22)

FOREIGN BONDS (2)
Chinese 4½pc 1898 Chinese 5pc 1912
CHEMICALS (1)
Wolstenholme
STORES (1)
Home Charm
ENGINEERING (2)
Green's Economiser United Wire
FOODS (1)
Hinton (A.)
INDUSTRIALS (8)
Black (P.) Jentique
Bridgend Proc. Redfearn Nat. Glass
Copydex Stocklake
Holt Lloyd Int. Uniflex
MOTORS (1)
BSG
NEWSPAPERS (1)
Int. Thomson
PAPER (2)
Clay (Richard) LCA
PROPERTY (1)
Bank & Comm.
TOBACCOS (1)
Rothmans
TRUSTS (1)
M. & G. Dual Inc.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	82	—	8
Corpns., Dom. and Foreign Bonds	11	7	48
Industrials	331	109	855
Financial and Prop.	281	17	203
Oils	19	15	18
Plantations	4	5	17
Mines	37	41	77
Others	49	35	66
Totals	† 814	229	1,392

† Correction: Wednesday's Rises totalled 433.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	76	7	86	—	104	—	373p
BP	330	48	40	64	1	82	—	”
BP	360	24	67	46	17	64	—	”
BP	390	9	46	26	20	46	—	”
BP	420	3½	16	15	—	—	—	”
Com. Union	120	19	1	22	—	27	—	135p
Com. Union	130	10	8	15	—	20	—	”
Com. Union	140	3	25	8	3	14	—	”
Cons. Gold	460	38	—	62	8	74	1	480p
Cons. Gold	550	4	—	15	10	—	—	”
Courtaulds	60	9	60	12½	1	14½	—	68p
Courtaulds	70	3	—	7	—	8	15	”
GEC	330	45	9	56	—	71	—	369p
GEC	360	19	16	34	9	51	5	”
GEC	390	3½	74	17	—	32	—	”
Grand Met.	140	9	3	14	—	21	—	145p
ICI	330	48	9	58	6	68	—	372p
ICI	360	21	4	32	13	46	—	”
ICI	390	5	94	15	6	29	—	”
Land Secs.	293	33	17	46	—	58	—	319p
Land Secs.	323	10½	31	25	1	38	—	”
Land Secs.	353	2	—	12	3	23	—	”
Marks & Sp.	70	20½	20	—	—	—	—	89p
Marks & Sp.	80	11	7	15	1	18	—	”
Marks & Sp.	90	4	24	8½	1	12	2	”
Marks & Sp.	100	1	—	4½	50	—	—	”
Shell	330	80	5	90	1	—	—	405p
Shell	360	50	10	62	1	72	—	”
Shell	390	23	49	40	—	52	—	”
Shell	420	6½	62	20	12	32	—	”
Totals			703		164		24	
		August		**November**		**February**		
Imperial Gp.	70	13	1	15	—	16	—	81p
Imperial Gp.	80	5	48	7½	2	10	4	”
Lonrho	80	15	58	17	5	19½	—	92p
Lonrho	90	7½	71	10½	—	14	7	”
P. & O.	100	22½	1	26½	—	28½	—	117p
P. & O.	120	7	—	13½	43	14½	3	”
Racal Elec.	200	50	16	61	—	—	—	248p
Racal Elec.	220	31	2	43	—	55	—	”
Racal Elec.	240	17½	121	30	1	42	—	”
Racal Elec.	260	8	—	18	76	—	—	”
RTZ	300	109	1	—	—	—	—	”
RTZ	360	57	1	75	—	88	1	”
RTZ	390	38	63	50	38	68	—	”
RTZ	420	22	83	30	—	53	—	”
RTZ	460	8	—	20	2	—	—	”
Totals			466		167		15	

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., June 12, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., June 11 Index No.	Tues., June 10 Index No.	Mon., June 9 Index No.	Fri., June 6 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	238.18	+0.8	18.44	6.75	6.71	236.22	234.63	231.61	229.82	246.12
2	Building Materials (28)	236.91	+0.7	18.18	6.94	6.78	235.16	233.64	230.66	226.72	230.56
3	Contracting, Construction (27)	347.79	+1.2	26.90	6.96	4.46	343.55	343.97	340.89	343.14	362.34
4	Electricals (16)	631.61	+0.5	13.35	4.00	9.70	628.24	621.86	613.20	606.88	580.73
5	Engineering Contractors (11)	289.32	+0.1	23.61	8.96	5.30	289.05	286.41	282.57	276.36	363.48
6	Mechanical Engineering (74)	159.55	+0.9	20.17	8.26	6.08	158.10	157.80	154.47	152.51	186.79
8	Metals and Metal Forming (16)	155.71	+1.6	22.31	10.51	5.38	153.26	153.81	152.11	150.60	171.17
	CONSUMER GOODS										
11	(DURABLE) (49)	210.29	+1.1	15.57	6.04	7.88	207.99	207.66	204.33	202.85	230.34
12	Lt. Electronics, Radio, TV (14)	307.59	+1.3	11.88	4.35	10.78	303.59	303.63	298.53	295.23	313.66
13	Household Goods (14)	95.53	+1.6	30.95	11.01	3.85	94.00	93.92	93.32	93.87	163.42
14	Motors and Distributors (21)	97.98	+0.4	23.39	10.07	4.98	97.62	96.95	95.43	95.55	117.87
	CONSUMER GOODS										
21	(NON DURABLES) (172)	222.03	+0.8	18.65	7.19	6.47	220.23	218.65	215.46	212.72	231.38
22	Breweries (14)	282.33	+0.5	15.60	6.44	7.57	281.07	276.28	273.11	269.44	266.30
23	Wines and Spirits (5)	300.29	+1.4	18.14	6.22	6.79	296.24	292.69	288.02	284.43	298.81
24	Entertainment, Catering (17)	315.52	+0.1	18.34	7.07	6.76	315.35	313.32	307.67	304.07	305.32
25	Food Manufacturers (21)	195.72	+0.5	20.52	7.61	5.74	194.71	194.58	192.78	189.59	215.60
26	Food Retailing (13)	322.16	+0.6	13.21	4.81	8.97	320.12	318.83	314.08	306.99	290.93
32	Newspapers, Publishing (13)	435.61	+5.3	21.92	6.71	6.16	413.72	409.18	408.90	408.01	426.75
33	Packaging and Paper (15)	130.67	+1.0	27.51	9.54	4.21	129.33	128.14	126.35	124.93	132.19
34	Stores (42)	214.82	+0.9	14.33	5.74	8.97	212.90	211.91	208.88	206.49	230.45
35	Textiles (24)	123.04	+2.1	26.43	12.56	4.64	120.49	119.85	117.16	116.89	165.75
36	Tobaccos (3)	214.09	+0.7	28.49	10.82	3.98	212.70	209.83	204.40	202.42	232.55
37	Toys and Games (5)	26.23	−0.6	46.69	18.50	2.54	26.37	26.70	27.02	27.02	73.27
41	OTHER GROUPS (99)	208.98	+0.6	17.73	7.34	6.71	207.71	206.18	203.45	201.12	202.64
42	Chemicals (16)	304.61	+0.6	20.58	7.90	5.57	302.77	300.20	296.52	293.25	286.11
43	Pharmaceutical Products (7)	208.37	+0.3	12.30	6.63	10.01	207.65	201.48	199.73	195.82	219.43
44	Office Equipment (6)	109.11	+0.4	19.96	7.60	5.73	108.67	109.50	107.55	105.08	121.42
45	Shipping (10)	525.38	+0.4	13.48	6.72	9.06	523.46	525.87	516.71	512.74	455.97
46	Miscellaneous (60)	250.61	+0.8	17.94	7.21	6.87	248.58	248.23	244.77	243.09	239.73
49	INDUSTRIAL GROUP (492)	229.27	+0.8	18.16	7.04	6.67	227.47	225.92	222.79	220.20	236.13
51	Oils (8)	810.62	−0.7	28.42	6.35	3.88	816.12	814.07	805.80	787.22	639.58
59	500 SHARE INDEX	275.03	+0.5	20.44	6.88	5.75	273.77	272.17	268.63	264.81	267.88
61	FINANCIAL GROUP (118)	207.43	+1.4	—	5.92	—	204.57	202.69	200.85	198.55	189.26
62	Banks (6)	226.91	+1.1	43.16	6.79	2.84	224.41	220.84	218.28	215.82	231.32
63	Discount Houses (10)	251.71	—	—	7.02	—	251.71	255.06	249.82	247.41	245.31
64	Hire Purchase (5)	210.28	+1.5	14.86	4.77	8.74	207.21	206.83	202.97	200.79	166.64
65	Insurance (Life) (10)	198.35	+1.4	—	6.42	—	195.55	194.88	191.56	189.68	158.13
66	Insurance (Composite) (9)	132.20	+1.4	—	8.14	—	130.42	129.11	128.88	126.87	124.11
67	Insurance Brokers (9)	300.95	−0.2	15.43	7.60	8.90	301.48	304.81	301.46	299.11	274.52
68	Merchant Banks (13)	109.65	+1.3	—	5.76	—	108.28	107.61	107.34	106.96	97.34
69	Property (45)	394.06	+2.3	3.45	2.85	41.08	385.30	382.55	377.62	373.17	333.57
70	Miscellaneous (11)	129.81	+0.4	16.93	6.72	7.50	129.25	129.35	127.78	126.63	120.57
71	Investment Trusts (109)	228.70	+1.4	—	6.02	—	225.57	225.60	221.45	219.95	214.94
81	Mining Finance (4)	195.21	+0.9	13.62	5.05	8.90	193.56	193.94	194.74	191.82	128.75
91	Overseas Traders (19)	383.19	+1.1	13.56	7.07	9.10	379.04	375.58	369.29	369.00	355.80
99	ALL-SHARE INDEX (750)	259.04	+0.7	—	6.61	—	257.23	255.70	252.57	249.28	246.80

FIXED INTEREST PRICE INDICES

	British Government	Thur., June 12	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	104.15	+0.32	—	4.99
2	5-15 years	109.11	+0.39	—	5.63
3	Over 15 years	114.21	+0.43	—	4.98
4	Irredeemables	128.83	+0.16	—	6.30
5	All stocks	108.89	+0.38	—	5.09

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Thur., June 12	Wed., June 11	Year ago (approx.)
1	Low Coupons	5 years	12.16	12.11	10.76
2		15 years	12.16	12.08	11.21
3		25 years	12.16	12.08	11.66
4	Medium Coupons	5 years	13.72	13.85	12.56
5		15 years	13.72	13.79	12.65
6		25 years	13.60	13.65	12.64
7	High Coupons	5 years	13.89	14.02	12.88
8		15 years	14.03	14.09	12.98
9		25 years	13.93	13.98	12.95
10	Irredeemables		11.39	11.41	11.58

		Thur., June 12 Index No.	Thur., June 12 Yield %	Wed. June 11	Tues. June 10	Mon. June 9	Friday June 6	Thur. June 5	Wed. June 4	Tues. June 3	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	51.87	†14.27	51.60	51.54	51.47	51.46	51.44	51.43	51.42	58.40
16	Investment Trust Prefs. (15)	48.09	14.07	47.88	47.88	47.88	47.79	47.79	47.79	47.79	48.98
17	Coml. and Indl. Prefs. (20)	63.10	14.26	61.91	61.91	61.88	61.84	61.84	61.84	61.80	70.04

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
ICI	£1	9	370	+ 2	402	348
Land Secs. "New"	Nil/pd.	9	57½pm	+ 7½	58pm	44pm
Coral Leisure	10p	8	67½	+ 3½	80	57
European Ferries	25p	8	154	+ 4	154	98
Imp. Cont. Gas	£1	8	886	+12	886	593
P & O Defd.	£1	8	116	− 3	125	105
RTZ	25p	8	398	+ 5	485	327
Shell Transport	25p	8	402	− 2	410	314
BAT Inds.	25p	7	255	+ 2	271	223
Marks & Spencer	25p	7	89	+ 1	98	77
Nat. Carbonising	10p	7	140	+ 8	143	104
Premier Cons.	5p	7	90	—	98½	39½
Turner & Newall	£1	7	105	+ 1	142	90
Ultramar	25p	7	366	+ 6	370	206
Barclays Bank	£1	6	445	+ 3	452	392

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Jun. 9	Jun. 20	Sept. 11	Sept. 22
Jun. 23	Jul. 4	Sept. 25	Oct. 6
Jul. 7	Jul. 18	Oct. 9	Oct. 20

For rate indications see end of Share Information Service

Calls were done in Gosforth, Coral Leisure, Woodside, Premier Oil, South West Consolidated Minerals, Burton Warrants, BSG, Turner and Newall, Highland Distilleries, Charterhall, Attock ...Oil, Poseidon, Ladbroke Warrants, Vickers and Winston Estates. A put was dealt in Marks and Spencer, but no doubles were reported.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p‡	+ or −	Div. or Amount	Times Covered	Gross Yield	P/E Ratio
85	F.P.	16/5	95	82	Amstrad Cons. Elect.	84	−4	bd3.8	3.0	6.6	6.7
—	F.P.	—	180	132	††Hemerdon Mng. 10c	132					
55	F.P.	20/6	80	74	Home Farm Prods 10p	79	+1	b2.9	2.5	5.2	10.8
—	F.P.	—	5½	3	††Jenkin & Purser	5½					
‖ ‖	F.P.	—	£25⅝	£25	Marsh&McLen'n US$1	£25		Q$5.60	—	6.5	—
§85	F.P.	27/6	91	79	Oakwood Group	79		b6.5	2.4	11.9	5.7
100	F.P.	27/6	110	95	Peerless	93		b6.3	2.8	9.6	4.5
50	F.P.	—	49	44	S.W.C.M. 10p	46	−2				

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
‖	F.P.	3/6	131	111	Automated Sec. 8% Cnv. Uns. Ln. '95	127	......
‖	Nil	—	15pm	12½pm	Challenge Corp. 16pc Cum spec Pref.	12½pm	−2½
¶	F.P.	4/9	102½	101⅞	Folkstone & District Water 10pc Pref '85	102½	......
¶¶	F.P.	—	65	63½	London & Midland Inds 8½pc Deb. '89-94	64½	......
¶	F.P.	30/5	102	99½	Mid Southern 10% Red Prf. 1986	99½	......
‖	N.P.	19/6	10pm	7½pm	NSS Newsag'ts 10% Cnv. Uns. Ln. 1990-2000	8pm	......
‖	F.P.	27/6	104	101	North Brit. Props. 9¾% Cov. Uns. Ln. 1998	102½	......
¶	F.P.	4/9	102⅝	101⅞	North Surrey Water 10pc Pref. 1985	102	−½

"RIGHTS" OFFERS

Issue Price p‡	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing price p‡	+ or −
100	Nil	—	—	38pm	35pm	Carless Capel	35pm	......
65	Nil	29/5	4/7	100	80	Clifford's Dairies 'A'	89	+1
300	Nil	—	—	355pm	325pm	Clyde Petroleum	350pm	+5
18	Nil	30/5	20/6	19½	18	East Rand Cons.	19½	......
54	F.P.	11/6	23/7	63½	61	Eleco	62	......
40	Nil	30/5	18/7	47	41½	Hawley Leisure	42½	......
265	Nil	—	—	58pm	44pm	Land Securities	57½pm	+7½
118	F.P.	3/6	18/7	140	124	Linfood	140	......
126	Nil	—	8/8	140pm	127pm	Lloyds & Scottish	140pm	......
60cts	Nil	—	—	455pm	180pm	Pancontinental	340pm	+15
54	F.P.	9/5	27/6	75	67	Rugby Portland Cement	74	......
98	Nil	20/6	18/7	37pm	30pm	Silvermines	35pm	......
180	F.P.	14/5	27/6	306	194	Unitech	287	+7
110	F.P.	[illegible]/4	13/6	143	125	Watmoughs	136	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741
Inter-Dollar Fund US$2.73 2.94 +0.07
Far East Fund US$1.91 2.07 +0.4

Standard Chartered Intl. Bd. Fd.
37 rue Notre-Dame, Luxembourg
NAV June 10 US$10.50

Stronghold Management Limited

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	49.3	53.0	+0.6	1.89
Abbey Capital	37.4	40.4	+0.3	4.23
Abbey General	48.7	52.1	+0.5	5.98
Abbey Gilt & F.I. Tst.	104.3	111.9	+0.2	9.59
Abbey Income	41.8	45.2xd	+0.2	8.93
Abbey Intl. Bd. Tst.	95.1	100.6xd	-0.2	5.47
Abbey Inv. Tst. Fnd.	39.0	42.1	+0.4	4.07
Equitas Prog. Trust	71.8	77.6xd	+0.8	5.77

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	85.1	90.8xd	+0.8	12.48

Allied Hambro Ltd. (a) (b)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	78.0	83.5	+0.8	6.35
Brit. Inds. Fund	69.3	74.2xd	+0.5	7.01
Growth & Income	43.2	46.2	+0.4	6.82
Elect. & Ind. Dev.	37.8	40.4	+0.3	6.06
Allied Capital	79.3	84.9	+0.7	5.48
Hambro Fund	117.0	126.2xd	+1.2	6.39
Hambro Acc. Fund	149.5	160.0	+1.6	5.63
Income Funds				
High Yield Fd.	63.8	68.3	+0.4	10.61
High Income	70.1	75.0	+0.6	8.13
A. H. Eq. Inc.	41.2	44.1	+0.3	8.23
Govt. Secs.	24.6	25.2	+0.1	8.93
International Funds				
International	29.2	31.2	+0.2	3.46
Pacific Fund	49.4	52.9	—	2.33
Secs. Of America	59.0	65.1xd	+0.3	2.85
Specialist Funds				

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. May 30	198.5	283.2xd	—	6.18

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.0	18.7	—	7.64
Gt. Winchester O'seas	20.9	23.0	—	4.79

Emson & Dudley Tst. Mngmnt. Ltd.
20, Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	74.1	79.7	—	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	76.0	80.0	+0.8	5.28

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	24.2	25.5	—	1.00
Fixed Interest	24.9	26.3	—	13.11
Growth + Income	29.7	31.3xd	+0.2	8.05
Special Sits.	29.6	31.2	+0.3	3.05

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	28.8	31.0	—	2.13
Accum. Units	35.4	38.1	—	2.13
J. Finlay High Income	31.5	33.9	—	10.72
J. Finlay Euro.Fin.	21.0	22.6	—	3.99
Accum. Units	26.2	28.2	—	3.72
J. Finlay Fd.In.Tst.	33.8	36.3	—	5.62
Accum. Units	41.7	44.8	—	5.62

Prices on June 11. Next dealing June 18.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American June 9	51.8	55.2	—	1.20
Am. T'ground June 9	51.6	55.0	—	2.00
Capital Tst.	52.0	55.4	+0.2	5.52
(Accum. Units)	52.8	56.4	+0.2	5.56
Extra Income Trust	47.8	51.0	+0.4	10.56
Income Tst.	35.8	38.2xd	+0.2	9.07
Int. Growth Fd.	44.2	47.2xd	+0.2	2.40
(Accum. Units)	47.0	50.2	+0.2	2.40

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	50.6	54.1xd	+0.5	4.98
Do. Accum.	71.4	76.3	+0.7	4.98

Funds In Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital June 5	118.5	120.3	—	5.54

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

BOLD

That's BTR

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980 High	1980 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
99 7/16	97½	Exchequer 13pc 1980‡‡	99 7/16	+1/16	13.07	14.12
98 11/16	96¼	Treasury 11½pc 1981‡‡	98 11/16xd	+1/16	11.65	13.97
93½	90⅛	Treasury 3½pc 1979-81	93½	+⅛	3.74	13.78
97	93⅜	Treasury 9¾pc 1981‡‡	97	+⅛	10.05	13.71
95⅜	91¼	Exch. 8¼pc 1981	95⅜xd	+⅛	8.65	13.35
95¾	92¼	Exch. 9½pc 1981	95¾	+⅛	9.92	13.58
91¾	85½	Exch. 3pc 1981	91¾	+½	3.27	18.53
98 11/16	96½	Treas. Variable '81§§	98⅞	......	16.64	17.13
98⅛	95 3/4	Exch. 12¾pc 1981‡‡	98⅛	+⅛	12.98	14.05
93⅝	88½	Treas. 8½pc '80-82‡‡	93⅝xd	+⅛	9.12	13.37
88⅝	82½	Treasury 3pc '82‡‡	88⅝	+½	3.38	10.37
100⅛	96⅝	Treasury 14pc '82‡‡	100⅛	+⅛	13.97	13.76
97 7/16	94¼	Treas. Variable '82§§	97 7/16xd	......	16.88	18.03
91 7/16	86⅛	Treasury 8¼pc '82	91 7/16xd	+¼	9.03	13.23
91 7/16	86⅜	Exch. 9¼pc 1982	91 7/16	+¼	10.12	13.69
90 7/16	85	Exch. 8¾pc 1983	90 7/16xd	+¼	9.68	13.27
81⅞	76½	Exch 3pc '83	81⅞	+½	3.66	10.93
95⅞	90⅞	Treasury 12pc 1983‡‡	95⅞	+1/16	12.52	13.80
95 7/16	98⅝	Treas. Variable '83§§	95 7/16	......	17.24	18.49
92 3/16	84½	Treasury 9¼pc '83	89 7/16xd	+⅜	10.34	13.57
99	94¼	Exch. 13½pc '83	98 13/16	+¼	13.66	13.91
90¼	84½	Exch. 10pc 1983	90 5/16	+3/16	11.09	13.62
81½	76½	Funding 5½pc '82-84‡‡	81½xd	+⅛	6.75	12.08
93 1/16	87¼	Exch. 11¼pc 1984	92¾	+⅛	12.13	13.77
100½	94½	Exchequer 14pc 1984	100⅜	+½	13.95	13.85
73¼	68¼	Exch. 3pc 1984	73 5/16xd	+3/16	4.10	11.53
95	88⅞	Treasury 12pc 1984	94⅞	+½	12.65	13.57
104⅛	98	Treasury 15pc 1985	103⅞	+½	14.44	13.81
—	—	Treasury 3pc 1985	69	......	4.35	11.38

Five to Fifteen Years

1980 High	1980 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
97⅝	90¼	Exch. 12¼pc 1985	96¼	+½	12.83	13.42
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INTERNATIONAL BANK

86½	78	5pc Stock '77-82	86½	+¼	5.78	12.21

CORPORATION LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
94¼	88	Sth. Africa 9½pc '79-81	94¼	......	10.19	14.99
160	107	Sth. Rhod. 2½pc '65-70	148	−2	—	—
167	133	Do. 6pc '78-81	163	−2	—	—

LOANS

Public Board and Ind.

61½	56½	Agric. Mt. 5pc '59-89	59½xd	......	8.36	12.55
80	73½	Alcan 10½pc '89-94	75xd	......	14.00	14.80
28½	25	Met. Wtr. 3pc 'B'	27¼	......	11.14	13.19
103	89	U.S.M.C. 9pc 1982	103	......	8.75	—
92	85½	Do. without Warrants	91½	−½	9.98	12.80

LOANS—Continued

Financial

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS AND HIRE PURCHASE

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
244	202	ANZ $A1	225	......	†022c	3.7	5.1	5.3
250	183	Alexanders D. £1	233	......	16.0	—	9.8	—
£76½	£56	Algemene Fl.100	£63¾	......	Q25%	1.9	7.9	6.8
365	290	Allen Harvey £1	335	......	21.5	—	9.2	—
128	96	Allied Irish	102xd	+2	Q8.93	—	8.5	—
17	13	Ansbacher (H.) 5p	14½xd	+¼	0.75	—	1.5	—
235	180	Arbuthnot L. £1	216	......	†10.42	—	6.9	—
360	280	Bk. Ireland £1	280xd	......	Q23.51	—	8.1	—
£162	£134	Do. 10pc Conv.	£134	......	Q10%	—	†7.0	—
*8	5	Bk. Leumi $0.1	6	......	Q11.4%	—	22.1	—
120	100	Bk. Leumi (UK) £1	120	......	8.57	—	10.7	—
178	135	Bk. N.S.W. $A1	141	+1	Q16c	♦	5.9	♦
305	235	Bank Scotland £1	265	+12	15.0	5.1	8.1	3.3
£211⅛	£164¼	Bankers N.Y. $10	£211⅛	+⅞	Q$3.30	—	7.0	—

BANKS & HP—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES AND SPIRITS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY AND STORES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING MACHINE TOOLS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039

Brussels: 39 Rue Ducale. Tel 23283 Tel: 512-9037

Cairo: P.O. Box 2040. Tel: 938510

Dublin: 25 South Frederick Street. Telex 5414 Tel: 785321

Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120

Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234

Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545

Lisbon: Praca de Algeria 58-10, Lisbon 2. Telex: 12533 Tel: 362 508

Madrid: Espronceda 32, Madrid 3. Tel: 441 6772

Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381

Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635

New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625

Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43

Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314

Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88

Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920

Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Edinburgh: 37 George Street, Telex: 72484 Tel: 031-226 4139

Leeds: Permanent House, The Headrow. Tel: 0532 454969

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381

Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1

New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300

Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01

Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in
Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

FINANCE, LAND—Continued

OIL AND GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

a fully integrated banking service

DAIWA BANK

Head Office: Osaka, Japan

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	22	—	—	—	—
24	12	ACM 20c	18	—	—	—	—
100	52½	Bond Corp.	100	+8	hQ2.8c	2.2	1.4
156	88	Bougainville I Kina	124	+3	hQ26.2c	1.0	11.7
265	195	BH South 50c	280	—	♦	—	—
25	11½	Canada Northwest	21	—	—	—	—
42	8	Carr Boyd 20c	32	—	—	—	—
£30	£15¾	Central Pacific	£27½	−½	—	—	—
356	230	Conzinc Riotinto 50c	270	—	Q15c	2.1	2.9
39	17	Cultus Pacific N.L.	35	—	—	—	—
50	20	Eagle Corp. 10c	30	—	—	—	—
26½	15¾	Endeavour 20c	24	−½	—	—	—
372	175	G. M. Kalgoorlie 25c	350	−6	†Q3c	—	0.4
46	15	Great Eastern	22½	—	—	—	—
395	260	Hampton Areas 5p	360	—	3.5	2.8	1.4
82	30	Haoma Gold N.L.	73	−2	—	—	—
720	80	Leichardt Expln.	280	+20	—	—	—
72	41	Metals Ex. 50c	60	—	—	—	—
312	187	M.I.M. Hldgs. 50c	219	−1	†hQ16.1c	1.8	3.8
20	7	Minefields Expl. 25c	15	—	—	—	—
155	60	Mount Lyell 25c	80	−2	—	—	—
28	15	Newmetal 20c	18	−5	—	—	—
35	12	Nickelore N.L.	22	—	—	—	—
207	137	North B. Hill 50c	166	—	†Q7.2c	1.4	3.8
88	44½	Nth. Kalgurli	79	−2	—	—	—
165	90	Nth. Mining Corp.	135	−5	—	—	—
66	24	N. West Mining N.L.	62	—	—	—	—
235	144	Oakbridge SA1	195	—	Q12c	4.7	3.2
122	70	Otter N. L.	100	—	—	—	—
230	128	Pacific Copper	214	+8	—	—	—
465	255	Pancont'l 25c	355	+15	—	—	—
78	42	Paringa M&Ex. 5p	60	+1	—	—	—
495	335	Peko-Wallsend 50c	385	−5	†Q17.5c	♦	2.3
230	140	Seltrust A	164	—	—	—	—
£11¾	575	Southern Pacific	£10¼	+¼	—	—	—
75	31	Swan Resources 20c	60	—	—	—	—
13	8	West Coast 25c	8	—	—	—	—
264	177	Westn. Mining 50c	239	−11	†Q7c	1.6	1.6
30	10	Westmex	16	−1	—	—	—
108	56	Whim Creek 20c	100	—	—	—	—
25	10½	York Resources	22	−1	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	14	Amal Nigeria 1p	15	—	‡6.0	—	—
345	255	Ayer Hitam $M1	290	+5	‡Q290c	0.9	‡
67	42	Beralt Tin	49	—	4.5	3.2	13.1
190	149½	Berjuntai $M1	180	—	‡Q95c	1.0	‡
230	153	Geevor	180	−20	8.4	♦	6.9
11	10	Gold & Base 12½p	10½	—	—	—	—
400	310	Gopeng Cons.	375	—	†25.0	1.8	9.5
320	280	Hongkong	320	—	35.87	♦	16.0
105	90	Idris 10p	95xd	—	14.0	♦	21.1
15	12½	Jantar 12½p	13xd	—	1.5	♦	16.5
85	64	Kamunting $M0.50	85	—	Q47½c	1.1	12.5
225	150	Killinghall $M1	225xc	—	hQ50c	♦	4.5
730	485	Malay Dredging $M1	730#	—	[illegible]	2.6	2.9
33	26	Pahang	32	—	0.44	0.3	2.0
188	90	Pengkalen 10p	92	—	6.0	1.3	9.3
290	230	Petaling $M1	290xd	+5	†Q150c	1.4	10.8
70	57	Saint Piran	65#	—	‡2.5	6.4	‡
44	28	South Crofty 10p	30	−1	‡3.0	2.0	‡
255	180	South Kinta $M0.50	250#	—	†Q150c	1.0	12.2
450	340	Sthn Malayan $M1	450#	—	†Q175c	2.1	7.9
295	215	Sungei Besi $M1	285	+5	†Q520c	1.0	37.2
39	22½	Supreme Corp. $M1	38	—	hQ8c	—	4.3
100	92	Tanjong 15p	92xd	—	Z4.5	♦	7.0
95	80	Tongkah H. Tin	80	—	Q45c	1.3	12.6
320	220	Tronoh $M1	320xd	+20	Q250c	0.7	15.9

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
235	130	Messina R0.50	175	—	mQ10c	♦	3.3

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	78½	Anglo-Dominion	135	—	—	—	—
97	56	Barymin	60	+3	—	—	—
17	12	Burma Mines 10p	15½	−1	0.62	1.1	5.8
502	320	Cons. Murch. 10c	320	—	MQ100c	1.0	18.6
585	325	Northgate C$1	410	+10	—	—	—
485	327	R.T.Z.	398	+5	15.0	3.2	5.4
33	16	Robert Mines	23	—	—	—	—
58	26	Sabina Inds. C$1	30	—	—	—	—
650	411	Tara Explm. $1	460	+10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ∏ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	29	—
Bertam	17	—
Bdg'wtr. Est. 50p	410	—
Clover Croft	60	—
Craig & Rose £1	£10½	—
Fife Forge	32½	—
Finlay Pkg. 5p	18	—
Graig Ship. £1	£14½	—
Higsons Brew.	75	+2
Holt (Jos) 25p	250	—
I.O.M. Stm. £1	185	—
Pearce (C. H.)	455	—
Peel Mills	40	—
Sheff. Refrshmt	103	—
Sindall (Wm.)	140xd	—

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£98¾	—
Nat. 9¾% 84/89	£78½	+½
Fin. 13% 97/02	£87	+½
Alliance Gas	45	—
Arnott	360	—
Carroll (P.J.)	54	+2
Clondalkin	116	—
Concrete Prods.	75	—
Helton (Hldgs.)	34	—
Ins. Corp.	245	—
Irish Ropes	55	—
Jacob	35	—
T.M.G.	80	−5
Unidare	93	—

OPTIONS

3-month Call Rates

Industrials

Stock	Rate
A. Brew.	7
BOC Intl.	6
B.S.R.	4½
Babcock	8
Barclays Bank	34
Beecham	18
Blue Circle	25
Boots	16
Bowaters	15
B.A.T.	28
Brown (J.)	6
Burton 'A'	18
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	17
Dunlop	7½
Eagle Star	15
F.N.F.C.	2¾
Gen. Accident	21
Gen. Electric	30
Glaxo	18
Grand Met.	12
G.U.S. 'A'	34
Guardian	23
G.K.N.	20
Hawker Sidd	15
House of Fraser	15
I.C.I.	27
"Imps"	6½
I.C.L.	14
Inveresk	4
Ladbroke	15
Legal & Gen.	15
Lex Service	8
Lloyds Bank	24
"Lofs"	3½
London Brick	6
Lucas Inds.	17
"Mams"	14
Mrks. & Spncr	8
Midland Bank	26
N.E.I.	5
Nat. West. Bank	27
P & O Dfd.	10
Plessey	14
Racal Elect	22
R.H.M.	4½
Rank Org.	15
Reed Intnl.	16
Sears	5
Tesco	6
Thorn	23
Trust Houses	12
Tube Invest.	23
Unilever	40
U.D.T.	5½
Utd. Drapery	6½
Vickers	12
Woolworths	5½

Property

Stock	Rate
Brit. Land	7
Cap. Counties	9
Land Secs.	24
MEPC	17
Peachey	13
Samuel Props.	12
Town & City	2

Oils

Stock	Rate
Brit. Petroleum	32
Burmah Oil	20
Charterhall	10
KCA	11
Premier	13
Shell	35
Tricentrol	40
Ultramar	35

Mines

Stock	Rate
Charter Cons.	14
Cons. Gold	40
Lonrho	8
Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 36

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security.

HALL & PICKLES
SHEFFIELD
STEEL AND
TOOLS

FINANCIAL TIMES
Friday June 13 1980

BELL'S
SCOTCH WHISKY
BELL'S

Japanese Ministers to stay until election

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE JAPANESE Cabinet resigned after a special meeting yesterday following the sudden death of Mr. Masayoshi Ohira, the Prime Minister. Ministers will, however, remain in their posts pending the appointment of a new Prime Minister after the General Election on June 22.

Both the resignations and the retention of ministers are provided for by the constitution. The Acting Prime Minister, Chief Cabinet Secretary Mr. Masayoshi Ito, took over immediately after Mr. Ohira suffered a heart attack in yesterday's early hours.

Mr. Ito said that three Cabinet ministers will represent Japan at the Venice summit. They are: Mr. Saburo Okita, Foreign Minister, Mr. Yoshitake Sasaki, Minister of International Trade and Industry, and Mr. Noboru Takeshita, Minister of Finance.

The idea of sending three senior Ministers in Mr. Ohira's place had been mooted before the Prime Minister's death. Heads of state of other participating countries are expected to agree. However, it is not clear to what extent the three ministers will be allowed to take part in summit discussions.

Campaigning for Japan's General election to the upper and lower houses of the Diet, the Japanese Parliament, continued at full tilt today with no sign that the outcome had been affected by the tragedy.

It had been assumed, even before Mr. Ohira suffered a fatal heart attack, that he would soon have to vacate the premiership for health reasons. His death makes no essential difference to the nations political situation, although its shock effect on both the political and business communities cannot be discounted.

Potential successors to Mr. Ohira, who include Mr. Takeo Fukuda, the former Prime Minister and Mr. Yasuhiro Nakasone, former Defence Agency Director General avoided reference to the leadership issue today. They are not expected to show their hands until after the elections are over.

Even then, it is possible that a caretaker Prime Minister may be appointed to serve for the remainder of Mr. Ohira's two-year term as Liberal-Democratic Party leader which expires in December.

The chances are not much more than even that the Liberal Democratic Party will be able to retain its overall majority in the lower house of the Diet—the test of the party's ability to govern.

Features, Page 20

Ford alerted to gearbox fault

BY IAN HARGREAVES IN NEW YORK AND JOHN GRIFFITHS IN LONDON

FORD MOTOR company yesterday revealed that an automatic transmission system alleged by a U.S. Government agency to be defective and possibly dangerous had been fitted to all Ford automatic cars built in Europe between 1973 and 1979. The number of cars affected in Europe could be as high as 350,000.

Automatic transmissions are fitted to a far smaller proportion of cars in Europe than in the U.S.—slightly under 10 per cent. Even this is a significantly greater proportion than in 1973, when Ford's Bordeaux plant started producing the C3 automatic gearbox now fitted to all Ford's automatic cars, from the Granada down to the Escort, and which is included in the U.S. action against Ford.

Ford in the U.S. said yesterday that the company would fight to the last against the doubts cast over the transmission system, which has been fitted to 16m vehicles built in the U.S. in the past decade.

Apart from reiterating Detroit's line that "we accept none of these charges," Ford UK would not speculate in London on what action the European division might take if a safety hearing in Washington on July 21 went against the company.

Mr. Roger Maugh, director of automotive safety at U.S. Ford, said the conclusions of the National Highway Traffic Safety Administration that there is a defect in the transmissions "is based upon inaccurate and inadequate information."

Ford plans to argue its case at the public hearing in Washington. If it fails to convince the U.S. Department of Transportation, it will be forced to recall the vehicles in the largest product recall in the U.S. motor industry's history.

Such a recall would cost Ford hundreds of millions of dollars in a year when it is expected to lose over $2bn on its U.S. motor operations and seriously damage its reputation at a time when the image of its small cars is still emerging from the shadow of safety allegations about its Pinto model.

The agency's "initial determination" says that Ford transmissions built between 1973 and 1979 contained a design error which may have been responsible for 6,000 accidents and 98 deaths in the U.S.

The problem, the agency said, was that with the vehicle stationary and the engine running, the gear lever on the vehicles sometimes jumped from its "park" position to reverse. Several people have been crushed to death in accidents involving this alleged fault, although Ford maintains that it could only happen if drivers inadequately engaged the "park" selector.

THE LEX COLUMN

Dividend dims at Chloride

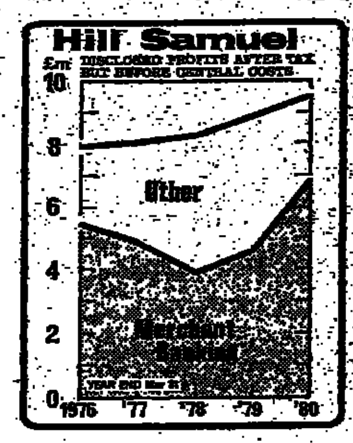
Chloride's 34 per cent dividend cut had been fully discounted in the stock market: the shares closed unchanged yesterday at 47p, where the yield is 12¼ per cent. A reduction in the payout is certainly in order after a year when before taking account of £2.7m of redundancy costs, profits have fallen from £29m to £21.4m. The second half has brought a 42 per cent slump to £9.8m.

The main explanation is a 12 per cent fall in automotive battery sales in Europe and the U.S., which Chloride puts down to destocking in the distributor network, a mild winter, and drivers' determination to get more out of their batteries as a result of price increases. More consumers apparently are waiting for their battery actually to give up the ghost before buying a new one. Sales in Europe dropped a full 30 per cent in the final quarter, and Chloride does not think that the bottom has yet been reached.

In addition, sharply higher lead prices have helped to push net borrowings up by £20m to £93m, or 78 per cent of shareholders' funds, and interest costs are three-fifths higher at £12.3m. The figures would have looked even worse but for around £2m of stock profits: the current cost outcome is just £8.1m before tax.

Chloride is confident that demand for automotive batteries will bounce back eventually—maybe at the beginning of 1981—and the current dividend payment is clearly intended to represent a base level. But the payment is covered less than 1½ times by historic cost earnings, and interest costs are only covered 2¼ times. With profits under severe pressure in the current half year, there could be a few more nervous months to come.

Index rose 1.6 to 448.5



Hill Samuel

All the recent executive comings and goings at Hill Samuel have emphasised the group's problems, and indeed the results show a marginal decline in disclosed group net profits to £7.69m. Still, there is encouragement in the 51 per cent jump in banking profits. Lending volume has risen, and there have been good results in Australia and South Africa as well as in the UK. At home, Hill Samuel has enough branches with current account balances to have benefited significantly from the endowment effect of high interest rates, while corporate finance fees have been up and the money book has also contributed usefully.

Elsewhere roughly maintained profits are reported by three divisions, the Noble Lowndes employee benefit side, the shipping services interests and the investment management operation. On the negative side, however, two problem areas have led to substantial write-offs. Insurance broking shows an after tax loss of over £1.5m, about half of which reflects provisions for reinsurance bad debts, while this division has also required a £1.45m extraordinary provision to cover the move of its administration to Swindon. Eurobond dealing also ran into trouble at the time of the first Volcker package last autumn, and gross losses spread across banking and investment may have approached £1m.

This particular problem will not recur now that Hill Samuel has withdrawn from Eurobond dealing, and the group also claims to have chopped enough costs to pull the insurance broking side round. If all goes according to plan Hill Samuel will achieve a substantial improvement for 1980-81, but after the years of disappointment the stock market is bound to take quite a lot of convincing; for the moment the yield at 94p is still as high as 9.3 per cent.

Northern Foods

The main interest in Northern Foods' interim figures stems from the inclusion of 12 weeks' contribution by Bluebird, the U.S. ham producer whose acquisition has shifted the balance of the group away from milk. Northern is clearly delighted with its contribution of £1.1m after interest costs to a total pre-tax figure of £14.8m against £12m, in the six months to March. But for an ill-timed foray into leasing shortly before Bluebird provided a more constructive home for the group's cash, the figure would be £¾m higher.

In the UK, a strong performance on the milk manufacturing side has made up for dull conditions in liquid milk and Pork Farms has returned to budget after a weak first quarter. Beer and biscuits have done well compared with the difficult 1978-79 winter, while milling has benefited from the higher flour price: the cake business has been difficult, but at least Northern's overall reliance on perishable goods has spared it the stock problems that have troubled other food manufacturers.

The balance sheet now shows debt at 55 per cent of tangible shareholders' funds, a figure which a revaluation of Bluebird's assets together with retentions should bring down below 40 per cent over the next year. Capital spending is about to fall, and Northern will be looking to add capacity through further acquisitions. This year the group should beat £30m (against £25.5m)

B & C Shipping

The timing could not have been more unfortunate for merging British and Commonwealth Shipping's fixed wing interests into Air UK, which has produced £4m of losses for the company after rough break-even. With some improvement on the shipping side, however pre-tax profits have managed to struggle up 7½ per cent to £28.6m, although the improvement is reduced to 3½ per cent once a surplus on ship sales is stripped out.

Prospects for the current year are brighter, when the losses at Air UK should be cut back while greater North Sea activity is providing a boost to Bristow Helicopter. The benefits of the buoyant charter rates for product tankers will come through while a fall in interest rates would widen the narrowing gap between interest received and charged. So profits may be up at least a tenth, and at this level the share price, up 3p yesterday at 300p, produces a prospective p/e of about 8 fully taxed. Though the historic yield, at 6.1 per cent, is in line with the investment trust sector in which many analysts group the company, the discount to asset value, at 50 per cent or so is nearly double the average.

European Council aims to defuse issue of trade war fears

BY GILES MERRITT IN VENICE

THE RISK of the EEC becoming engaged in a protectionist trade war involving Japan and the U.S. surfaced yesterday at Venice, where the heads of government of the Nine are meeting in the European Council.

The European Council is apparently determined to defuse the issue in advance of the June 22-23 Western Economic Summit, at which the leaders of West Germany, France, the UK and Italy will be tackling such issues with President Carter of the U.S. and their Japanese and Canadian counterparts.

The aim is to present a coherent and unified community position on sensitive trade questions at the forthcoming seven-power Venice summit. At the same time it aims to seek trade pledges from the U.S. and Japan.

West German concern that protectionist pressures inside the EEC could trigger retaliation has put the question of Europe's relations with her chief industrial trading partners close to the top of the summit agenda.

One problem is that Japanese trade diverted from the EEC to the U.S. could, in turn, result in American curbs on EEC exports.

West German delegates have said that at least one EEC member-state wants action to stem Japan's accelerating 1980 exports. The suggestion is that the country in question is the UK.

The EEC leaders' discussion of worsening trade relations takes place against a background of moves by the European Commission in Brussels to forge a new trade strategy. The strategy would help restrain Japanese exports of electronic and industrial goods to the EEC.

There remains, too, a wide range of unresolved trade disputes between the community and the U.S. that includes steel, textiles, foodstuffs and petrochemical products.

Detailed discussion of the threat is scheduled for this morning, during the closing stages of the two-day European Council. Chancellor

Cabinet to ask MPs to limit pay rise

BY ELINOR GOODMAN, LOBBY STAFF

THE GOVERNMENT is ready to risk a defeat in the Commons by asking MPs to accept a cut in real earnings this year. Ministers have decided that if Lord Boyle's Top Salaries Review Board recommends an unacceptably high topping-up settlement for MPs next month, they should be urged to accept a lower settlement in the wider interest of the Government's anti-inflation policy.

Anything over the 14 per cent recommended by the Clegg Commission for nurses would probably be regarded as too high.

A similarly critical attitude may be taken on the recommendations Lord Boyle is expected to make shortly on the salaries paid to top civil servants and nationalised industry chiefs.

A decision to recommend a reduction in whatever Lord Boyle recommends will infuriate MPs on both sides of the House. But Ministers have decided that it will be better if responsibility for approving an increase, which could amount to as much as 34 per cent, was seen to rest with MPs themselves rather than with the Cabinet.

MPs will receive an increase of £1,275 today, taking their salaries up to £10,725. What is at issue is the topping-up settlement which Lord Boyle is expected to recommend as part of a staged deal agreed last year.

Lord Boyle has not yet submitted his recommendation but it could well be near the 18 per cent he recommended for doctors. This would mean MPs got a compound increase of about 34 per cent, at a time when other public sector workers were being asked to limit their wage rises.

Ministers have decided that this would have a damaging effect on the next pay round. This view has apparently prevailed over the belief of some Ministers that the Government could not go back on its commitment last year to honour the Boyle recommendation.

When the Government receives the report it will probably put it to Parliament with an amendment of its own urging MPs to accept a lower increase. Some Tory MPs will almost certainly refuse to back the Government.

Hill Samuel appoints new chief

By Michael Lafferty, Banking Correspondent

SIR ROBERT CLARK is to give up his position as chief executive of Hill Samuel, the merchant banking and financial services group, which yesterday revealed that it had incurred net losses of £3m in its insurance broking subsidiary.

Sir Robert, who is to stay as executive chairman of the group for four years, will be succeeded as chief executive in August by Mr. Christopher Castleman, until recently managing director of Hill Samuel South Africa.

Last month, Hill Samuel said Mr. Castleman, aged 38, would become deputy chief executive of the group in August.

The group's net attributable profits slumped from over £7m to £5m in the year to March, 1980. This was in spite of substantially increased profits from the main merchant banking part of the group, where disclosed net profits are up from £5m to £6.8m.

Hill Samuel's major problem in the past year has been on the insurance broking side, which incurred a net after-tax trading loss of £1½m. A large part of this related to bad debts going back many years. In addition, Hill Samuel has had to write off £1.4m as an extraordinary loss in respect of relocation costs at the division. Mr. Victor Wood, who left the group last year, had previously been responsible for this part of Hill Samuel.

Sir Robert said yesterday he was confident the group's main problems had now been solved. "We have cleaned up the stable. We are absolutely determined to make more profits this year, and we will," he said.

Sir Robert maintained that it would not be fair to judge his record on Hill Samuel's flat profit record over the past three years, during which he was chief executive. He said that certain problems needed to be tackled when he had taken over, and it had taken time to do that.

Until 1977, Lord Keith, a former chairman of the Rolls-Royce aero-engine group, had been chief executive at Hill Samuel. He remained as the group's non-executive chairman until last month.

Mr. Castleman said yesterday in Johannesburg that his only condition for taking on the job of chief executive had been that Sir Robert would remain as Hill Samuel's executive chairman for a further four years. He said Sir Robert had done a lot of the hard work which had been necessary to reorganise the group.

Results, Page 22

Ban on St. Piran's shares extended

BY REG VAUGHAN

THE STOCK EXCHANGE, in one of its strongest pronouncements, yesterday forbade its members to deal in any business for Mr. Jim Raper, the former Saint Piran chairman, and extended the suspension of dealings in the company's shares indefinitely.

This follows Wednesday's rebuke from the City Takeover Panel, which described Mr. Raper's conduct as "deplorable" and said he "is unfit to be a director of a public company."

The panel has already said that Mr. Raper and three foreign based companies which have built up shareholdings totalling 37 per cent in St. Piran should make a full bid—but this has not been done.

The shares of this tin mining and property company suspended since May 20, are to remain in limbo until and unless Gasco, Mr. Raper's master company either:

- Promises not to use its voting power in St. Piran, or
- Makes a bid, or
- Disposes of a large part of its holding.

Alternatively, the present board, including Mr. Malcolm Stone (the chairman, who is also managing director of Gasco), must vote itself out of office. The Stock Exchange might also change its mind if the Department of Trade investigation, still in progress, justifies a restoration of the listing.

Gasco Investments has already said it would make a general offer if the necessary finance could be raised. Mr. Stone said yesterday that "realistic efforts" were being made but claimed that the actions of the panel would not be helpful to Gasco in raising money.

St. Piran said that it was "very concerned" about the effect of the suspension on its small shareholders. It urged that the quotation be restored pending the DoT report into the affairs of the company.

Chloride dividend cut

CHLORIDE, one of the world's leading manufacturers of rechargeable batteries, has cut its dividend in the face of a collapse in profits from £29m to £18.7m pre-tax for the year to the end of March.

Attributing the fall to the most severe drop in international demand for batteries for 25 years, Sir Alastair Pilkington, the new chairman, announced yesterday that the dividend for the year is to be cut from 6.3p net to 4p "to conserve funds."

Later Mr. John Ray, the chief executive, warned: "I don't believe we have touched bottom yet."

Sales of automotive batteries in Europe and the U.S. dropped by 12 per cent last year and the trading climate could be worsening, although Chloride claims to have maintained market share.

In the final quarter demand for automotive batteries in Europe slumped by more than 30 per cent, the company says.

One reason for the decline according to Mr. Ray, was that customers were taking more care of their car batteries and using home rechargers.

Overall, the downturn in sales of automotive batteries cost the company £4.5m in operating costs and £2.7m in redundancies. At the same time high interest rates forced interest charges up from £7.6m to £12.3m.

Results, Page 22

Approach to Unicorn revealed

BY RAY MAUGHAN

UNICORN INDUSTRIES, one of the world's leading manufacturers of grinding wheels and other abrasive products, revealed last night that it had received an approach which could lead to an offer for the company. Shareholders were advised to take no action pending a further announcement.

Valued at almost £26m on the Stock Exchange, Unicorn has only one substantial shareholder, the Kuwait Investment Office, which has controlled a 9.98 per cent stake for the last three years through the Securities Management Trust.

The group's profits fell last year from £7.43m to £6.52m as a result of strikes, which were estimated to have cost £1m, and the interest charges on cash raised to buy out the 50 per cent stake in the Swedish rival Craelius AB.

Continues from Page 1

Europcar bid to be probed

Godfrey Davis in the wake of the Europcar offer but withdrew because it believed this would almost certainly provoke a Monopolies reference. Hertz may now feel that an offer would lose it nothing.

Last night Godfrey Davis said it had not heard from Hertz. Its deal with Europcar would go ahead, subject to Government approval, and the Monopolies Commission would be given the fullest co-operation.

Dealings in Godfrey Davis shares were halted temporarily yesterday at the company's request.

Midland Bank Industrial Investments has already agreed to take a minority stake in the new company which would be called Godfrey Davis-Europcar. Under the deal with Europcar, existing Godrey Davis shareholders would receive 115p per share for the hire company, the equivalent of £17.4m. The remaining Godfrey Davis activities (car distribution, retailing, long-term lease, caravan sales and rentals) would benefit from a £4.6m dividend payment from the hire activities.

The DoT appears to have been worried by the amount Europcar was prepared to pay. However, Hertz was thought to be willing to offer more.

Part of Europcar's motivation is that it is already the biggest rental organisation in Europe, but its presence in the British market—itself the biggest single European market—is minor.

Suggestions that Europcar might perhaps use Godfrey Davis as a way of boosting Renault sales in Britain were dismissed by the two sides as "commercial suicide."

Weather

UK TODAY

RAIN in most areas, becoming brighter in S.E. England. Sunny in Scotland, except the south.

London, S.E. and Cent. S. England, Channels Isles

Rain, giving way to showers and bright intervals. Max. 19C (66F).

Rest of England, Wales, Isle of Man, Borders, S.W. Scotland, Edinburgh, Glasgow, Dundee, N. Ireland.

Cloudy with rain, heavy at times. Max. 17C (63F).

Elsewhere

Dry. Sunny intervals. Max. 16C (61F).

Outlook: Thundery rain, but bright interludes.

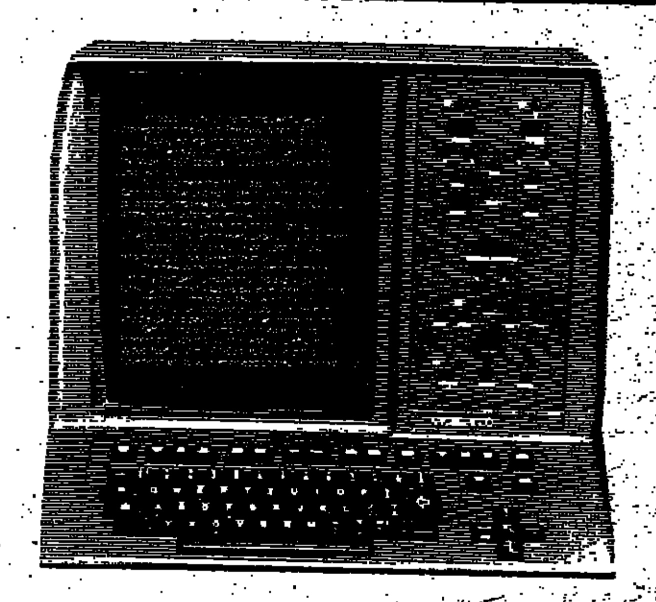
WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	23	73	L. Plms.	R	20	68
Algiers	S	28	82	Lisbon	F	17	63
Amsdm.	S	20	68	Locarno	S	23	73
Athens	S	17	63	London	F	21	70
Bahrain	S	33	91	Luxmbg.	F	21	70
Barclna.	C	21	70	Luxor	S	43	109
Belfast	R	11	52	Madrid	C	18	64
Belgrd.	S	25	77	Majorca	S	27	81
Berlin	S	21	70	Malaga	S	24	75
Biarritz	C	18	64	Malta	S	25	77
Bmghm.	C	17	63	M'chstr.	C	17	63
Blackpl.	C	17	63	Melbne.	C	9	48
Bordx.	C	17	63	Milan	S	24	75
Boulgn.	F	18	64	Mntreal.	C	11	52
Bristol	F	18	64	Moscow	C	22	72
Brussels	S	22	72	Munich	S	24	75
Budpst.	S	26	79	Nairobi	S	22	72
B. Aires	C	12	54	Naples	S	25	77
Cairo	S	36	97	Nwcstl.	R	10	50
Cardiff	S	16	61	N. York	S	19	66
Cas'b'ca	C	20	68	Nice	S	21	70
Cape T.	S	21	70	Nicosia	S	35	95
Chicago	S	22	72	Oslo	F	15	59
Cologne	S	22	72	Paris	F	24	75
Cpnhg.n	R	16	61	Prague	S	24	75
Corfu	S	27	81	Reykjvk.	R	9	48
Dublin	R	12	54	Rhodes	S	28	82
Dbrvnk.	S	24	75	Rio J'o	S	27	81
Ednbgh.	F	12	54	Rome	S	24	75
Faro	S	21	70	Salzbrg.	S	26	79
Florence	F	25	77	Singapr.	S	31	88
Frankft.	S	23	73	Stckhm.	S	14	57
Funchal.	F	22	72	Strasbg.	S	25	77
Geneva	S	22	72	Sydney	S	15	59
Gibrltr.	F	23	73	Tangier	C	21	70
Glasgow	C	14	57	Tehran	S	27	81
G'msey	F	16	61	Tel Aviv	S	26	79
Helsinki	S	15	59	Tokyo	S	26	79
H. Kong	S	31	89	Toronto.	S	18	64
Innsbrk.	S	26	79	Tunis	S	29	84
Invrnss.	F	11	52	Valencia	C	21	70
I.o.Man	C	14	57	Venice	S	23	73
Istanbul	S	26	79	Vienna	S	25	77
Jersey	C	20	68	Warsaw	C	19	66
Jo'burg	C	15	59	Zurich	S	24	75

C—Cloudy. F—Fair. R—Rain. S—Sunny.

Word, document, record, list and number processing for the price of just plain word processing.

The new Vydec 1800



Introducing one of the most powerful word processors in the world. The new Vydec 1800.

Typing, editing and correcting on its display. Printing flawlessly at up to 540 words-per-minute, the Vydec 1800 speeds through repetitive typing and revisions.

Nice, but here the 1800 departs from the rest. One of its advanced editing features assembles paragraphs into new documents or merges text and addresses to automate letter writing.

Another lets typists find and change up to 50 words or phrases on every page of any document.

Another automates creation, updating and reformating of lists; perfect for mailing lists!

The new Vydec 1800 even performs maths; instantly completing equations and aligning and totalling columns for tables, balance sheets and bills.

Best of all, the Vydec 1800 word-document-record-list-number processor costs no more than you'd expect to pay for just plain word processing.

Getting more information on Vydec Word Processing Systems is just as easy and efficient as Vydec itself. Just dial 01-834 9070 or clip this advertisement to your letterhead and leave the rest to us.

VYDEC
EXXON INFORMATION SYSTEMS

Vydec UK Ltd
Borax House,
Carlisle Place,
London SW1P 1HT.
Telephone: 01-834 9070
Telex 24942 ESSO UK

Sales and Service: throughout the United Kingdom.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.
G

© The Financial Times Ltd., 1980.

هكذا من الأصل